

CHAPTER 11
OPERATING EXPENSES
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CHAPTER 11

OPERATING EXPENSES

11A. Introduction

1. The Operating Expense account was created for the purpose of consolidating AID's cost of doing business into a single appropriation account. The account has been adopted by AID as a discrete item for Agency budget presentation to the Congress, the Office of Management and Budget, and for internal management. It also provides an increased level of accountability for the Agency.
2. The development of the Operating Expense account constitutes a major step in the direction of obtaining better management control over total AID operating costs. Formerly, operating expenses were spread among numerous separate budgetary items; e.g., the Administrative Expense Appropriation, various Program Appropriations containing Technical Support Project Costs, the non-appropriated Revolving Fund accounts for the Housing Guaranty and Excess Property Programs, and host country contributed local currency Trust Funds which previously had not appeared in AID budgets.
3. It is important that the established criteria outlined below be strictly followed in distinguishing between operating expenses and program-funded costs in preparing and implementing AID budgets.

11B. Definition

1. Operating expenses represent salaries, benefits, and support costs of all U.S. and foreign national direct-hire personnel. Support costs include allowances, travel and transportation, housing and office expenses. The operating expense category is comprised of appropriated funds, revolving funds of the Housing Investment Guarantee and Excess Property activities, and local currency trust funds. Funded under operating expenses are consultants, contractors, PASA, and RSSA personnel engaged primarily in Agency management and support functions.
2. The costs of consultants, contractors, PASA, and RSSA personnel engaged in project or program implementation - including feasibility studies, project design, and evaluation - are project costs, and are funded from program appropriations.
3. **Guidelines** - The following provide the basis for achieving uniformity in the categorization of costs:

a. Operating Expenses

- (1) Salaries and benefits and support costs of all direct-hire personnel are charged to operating expenses, including:
 - (a) U.S. and Foreign National employees assigned to and budgeted from non-AID appropriated funds; e.g., Housing Investment Guarantee, and Excess Property funds.
 - (b) Foreign National employees and support costs of all direct-hire personnel paid from local currency trust funds.
- (2) Salaries and support costs of consultants, contractors, PASA and RSSA personnel engaged in Agency management operations, and studies and evaluations.
- (3) Costs of all general management support services such as office space, utilities, Mission motor pool, and FAAS.

b. Program-Funded Expenses

All costs other than those outlined above are funded from the appropriate project or program allotment. Following are examples of program-funded cost.

(1) Costs associated with consultants, contractors, PASA and RSSA personnel engaged exclusively in project or program design, implementation and evaluation, including feasibility studies. Such costs include direct contractual expenses, as well as support costs to the extent that they can be identified and segregated.

(2) All participant training costs, contracts for transportation of program commodities, program commodity inspections, feasibility studies, engineering contracts other than those exclusively for Agency management requirements, special projects or program evaluation, etc.

c. Guidelines for Situations Not Clearly Identifiable

(1) Costs from a single commitment are generally not split between program funds and operating expenses. For example, when contractual services are obtained for specific program/project objectives but provide a residual benefit to operating expense functions, the total costs are funded by program funds.

(2) Travel costs of consultants, contractors, PASA's, RSSA's and direct-hire personnel are charged to the appropriation which funds their compensation.

11C. Allocation of Personnel to Functional Categories

1. The following major functions have been established for Operating Expenses:

- a. Executive Direction
- b. Program Planning and Budgeting
- c. Technical Direction and Management
- d. Central Backstopping of Overseas Operations
- e. Administration of Special Programs
- f. Legal Services
- g. External Relations
- h. Audit and Inspection
- i. Program Support Services
- j. Financial Management
- k. Management Support Services
- l. Reimbursable Details
- m. Project funded

A definition of each function and identification of the personnel components included therein follows. If an employee is engaged in more

than one functional category listed below, he or she will be shown against the category which consumes the largest portion of his or her time.

2. The **Executive Direction** function includes the top policy formulation and direction of the Agency. The personnel components in this function are:

a. AID/W

Office of the Administrator (**including Executive Secretariat Staff**).

Assistant Administrators for:

- Program and Policy Coordination
- Advisory Council Staff
- Africa
- Near East
- Latin America and the Caribbean
- Asia (**including Executive Secretariat**)
- Development Support
- Private and Development Cooperation
- Program and Management Services

b. Overseas

Mission Directors (**or AID Representatives, AID Affairs Officers, Country Development Officers**), their deputies and immediate staff (**except for evaluation officers and other staff members associated with specialized functions**).

3. The **Program Planning and Budgeting** function includes overall program planning, the development and analysis of specific programs and projects and the allocation of resources. It involves identifying country and regional development needs, determining the extent to which these needs are met by the countries themselves or by other assistance donors, and setting priorities for the use of available AID resources. The personnel components in this function are:

a. AID/W

Bureau for Program and Policy Coordination:

- Office of Policy Development and Program Review
- Office of Planning and Budgeting
- Office of Women in Development
- Office of Evaluation Bureau for Africa
- Office of Development Planning

Bureau for Near East
Office of Development Planning

Bureau for Latin America
Office of Multilateral Coordination and Regional Social Development Program
Multilateral Affairs Division
Office of Development Programs (**except Evaluation Staff**)

Bureau for Asia
Office of Development Planning

Bureau for Technical Assistance
Office of Program and Methodology (**Program Division Only**)
Office of Research and Institutional Grants

Bureau for Population and Humanitarian Assistance

Office of Program Review

b. Overseas

Mission Program Offices (**excluding Participant Training, Food for Peace, etc., personnel identified with other listed functions**).

4. The **Technical Direction and Management** function includes personnel (**Technical Generalists**) with a broad knowledge of the technical fields (**Food and Nutrition, Population Planning and Health, etc.**) engaged in technical planning and review of program and projects, project management and program evaluation, assisting in project design, preparing technical analyses used in AID program decisions, and monitoring project implementation. The personnel components in this function are:

a. Food and Nutrition

(1) AID/W

Bureau for Latin America
Office of Development Resources
Rural Development Division (**Only**)

Bureau for Asia
Office of Technical Resources
Agriculture and Rural Development Division (**Only**)

Bureau for Technical Assistance
Office of Agriculture
Office of Nutrition

(2) Overseas

Agriculture, Nature Resources, Nutrition and Rural Development Staffs

b. Population Planning and Health

(1) AID/W

Bureau for Asia
Office of Technical Resources
Health and Nutrition Division (**Only**)

Bureau for Technical Assistance
Office of Health

Bureau for Population and Humanitarian Assistance
Office of Population

(2) Overseas

Includes Health and Population Staffs.

Excludes Nutrition.

c. Education and Human Resources Development

(1) AID/W

Bureau for Latin America
Office of Multilateral Coordination and Regional
Social Development Programs

Labor Programs Division (**Only**)

Bureau for Technical Assistance
Office of Development Administration
Office of Education and Human Resources

(2) Overseas

Education, Labor and Public Administration Staffs

d. Selected Development Problems

(1) AID/W

Bureau for Technical Assistance
Office of Science and Technology
Office of Urban Development

(2) Overseas

Staffs engaged in economic and social development problems in fields such as transportation, power, industry, urban development, and export development.

e. Selected Countries and Organizations

Staff engaged in programs in support of the general economy of recipient countries or for development programs conducted by private or international organizations; e.g., PHA, Office of Private and Voluntary Cooperation.

f. Other

(1) AID/W

Office of Housing
Office of Reimbursable Development Programs

Bureau for Technical Assistance
Office of Program and Methodology
Methodology Division (**Only**)

Bureau for Africa
Office of Development Resources

Bureau for Near East
Office of Capital Development
Office of Technical Support

Bureau for Latin America
Office of Multilateral Coord. and Reg. Soc. Dev. Prog.
Social/Civic Development Division (**Only**)
Office of Development Programs Evaluation Staff (**Only**)
Office of Development Resources (**excluding Rural Development Division**)

Bureau for Asia
Office of Project Development
Social Development Division
Institutional Development Division

Office of Capital and Commercial Development

(2) Overseas

This category should be used for all other staff members providing technical direction, coordination, and evaluation that have not been included in a to e above; i.e., Evaluation Staffs, and for situations where the Development Assistance functional categories may not be applicable; e.g., Excess Property, etc. Wherever possible, these activities are to be grouped into not more than four categories.

5. The Central Backstopping of Overseas Operations function (**which is applicable to AID/W only**) includes:

- Bureau for Africa
 - Country Desks

- Bureau for Near East
 - Country Desks

- Bureau for Latin America
 - Program Operations Staff
 - Country Affairs Staffs

- Bureau for Asia
 - Country Affairs Offices

- Bureau for Program and Management Services
 - Office of Management Operations
 - Overseas Management Division

6. The **Administration of Special Programs** function includes management of:

- a. American Schools and Hospitals Abroad (**AID/W only**)
- b. Office of U.S. Foreign Disaster Assistance (**AID/W only**)
- c. Office of Food for Peace (**Mission Food for Peace Staff**)

7. The **Legal Services** function is the provision of legal advice and services to all elements of AID. The personnel component in this function are the Mission and Regional Legal Staffs.

8. The **External Relations** function (**which is applicable to AID/W only**) includes:

- Office of Legislative Affairs

- Office of Public Affairs

9. The Audit and Inspection function includes the Agency comprehensive internal audit program and the investigation of alleged irregularities and deficiencies relating to compliance and integrity of operations. The personnel components in this function are:

- a. AID/W**

- Office of the Auditor General (**excludes Office of Security**)

- b. Overseas**

- Area Auditor General and Inspections and Investigations Staffs

10. **Program Support Services** includes the following functions directly supporting AID-financed programs and projects:

- a. Commodity Management**

(1) AID/W

Bureau for Program and Management Services
Office of Commodity Management

(2) Overseas

Mission Supply Advisor or Commodity Staffs involved in project/program commodity activities, as distinct from procurement activities related to operating expenses. Includes community staffs engaged in P.L. 480, Title I programs.

b. Excess Property Management

(1) AID/W

Bureau for Program and Management Services
Office of Contract Management (**Excess Property Division only**)

(2) Overseas

Excess Property Staffs (**excluding Contract Officers**)

c. Contract Management

(1) AID/W

Bureau for Program and Management Services
Office of Contract Management (**excluding Excess Property Division**)

(2) Overseas

Mission contract staffs (**excluding Excess Property Staffs**)

d. Participant Training

(1) AID/W

Bureau for Program and Management Services
Office of International Training

(2) Overseas

Mission Participant Training staffs

e. Engineering

(1) AID/W

Bureau for Program and Management Services
Office of Engineering

(2) Overseas

Mission engineering staffs

f. Loan Operations

(1) AID/W

None

(2) Overseas

Mission Loan Officers and Capital Development Officers

11. The **Financial Management** function includes all Controller Services:

a. AID/W

Bureau for Program and Management Services
Office of Financial Management

b. Overseas

Mission Controller Staffs

12. The **Management Support Services** function encompasses the full range of administrative management services. The personnel components in this function are:

a. Planning and General

(1) AID/W

Bureau for Program & Policy Coordination
Executive Management Staff

Bureau for Africa
Executive Management Staff

Bureau for Near East
Executive Management Staff

Bureau for Latin America
Executive Management Staff

Bureau for Asia
Executive Management Staff

Bureau for Technical Assistance
Office of Management

Bureau for Program and Management Services
Office of Management Planning

Auditor General
Executive Office

(2) Overseas

Mission Executive Officer and immediate staff

b. Personnel Management

(1) AID/W

Bureau for Program and Management Services
Office of Personnel and Manpower (**including Professional Studies and Career Development Division's Management and Organizational Development Branch and Operations Training Branch**)

Foreign Service Complement
Civil Service Complement
Youth Opportunity Campaign Complement
Summer Employment Complement

Labor Relations Staff
Auditor General
Office of Security (**Personnel Integrity Division Only**)
Office of Equal Opportunity Programs

(2) Overseas

Mission Personnel Officers and staff (**including Training staff that is utilized to train direct-hire employees**).

c. Data Management

(1) AID/W

Bureau for Program and Management Services
Office of Data Management (**except Information Management Division, Data Base Management Branch**)

(2) Overseas

Mission automated data processing staffs

d. General Services

(1) Communications, Records, & Publications

(a) AID/W

Bureau for Program and Management Services
Office of Data Management
Information Management Division
Data Base Management Branch
Office of Management Operations
Publications & Audio Visual Arts Division
Communications and Records Management Division

(b) Overseas

Communications and Records Staff and Audio Visual or Media Staffs

(2) Vehicle Operations and Maintenance

(a) AID/W

None

(b) Overseas

Mission motor vehicle operation and maintenance staffs

(3) Building Operations and Maintenance

(a) AID/W

None

(b) Overseas

Mission leasing and real property maintenance staff

(4) Procurement and Supply Services

(a) AID/W

Bureau for Program and Management Services
Office of Management Operations
General Services Division
Overseas Property Management Staff

(b) Overseas

Mission Procurement, Supply and Property Management Staff
(Operating Expenses procurement only)

(5) Security Services

(a) AID/W

Office of the Auditor General
Office of Security
Office of the Director

(b) Overseas

Mission Security Guards

(6) Travel and Shipping

(a) AID/W

Bureau for Program and Management Services
Office of Management Operations
Travel and Transportation Division

(b) Overseas

Mission travel and shipping staffs

(7) Other

(a) AID/W

Bureau for Program and Management Services
Office of Management Operations
Office of the Director
Policy and Procedures Staff Administration & Logistics
Operations

(b) Overseas

Mission staff unidentifiable to other functions within General Services, including General Services Officers engaged in more than one subfunction.

13. Reimbursable Details. The AID staff assigned to joint State/AID administrative services operations on a reimbursable basis are to be included in this category. Any other staff assigned to another agency on a reimbursable detail are to be included in this sub-function.

14. Technical Specialists (Project-Funded) category covers employees assigned to one specific project and whose primary functions is project implementation.

11D. Mission Operating Expenses Budget (MOB)

1. The **Mission Operating Expenses Budget (MOB)** is the annual budget call for workforce and operating expenses data covering the prior or actual year operations, a projection of current or operational year plans and an

estimate of proposed requirements for the subsequent or budget year.

2. The MOB provides necessary data for (a) the annual budget presentation to the Office of Management and Budget (**OMB**), (b) the President's budget, (c) the AID Operational Year Budget (**OYB**), (d) the Congressional Presentation, and for the annual AID/W review of workforce requirements.

3. Since MOB data requirements fluctuate from year to year depending on congressional and other interest or emphasis on particular costs, item, etc., detailed instructions covering preparation, format and timing of the submission are forwarded to overseas Missions and AID/W offices each year. The instructions are forwarded with sufficient lead-time provided to permit the action office to review them, raise questions, and schedule work for timely completion and submission of the budget to AID/W on or before the prescribed deadline.

11E. Administrative Support

1. General

a. The Administrative Support concept is based on the premise that it would be uneconomical and impractical for each U.S. Government agency to provide its own administrative and logistic support services in every situation. For example, overseas, the Department of State, as the principal foreign affairs agency, is the logical agency to furnish those services which other agencies are not prepared to provide for themselves. In unusual situations, however, another agency may be better equipped than the Department of State to provide certain services and thus may become the servicing agency for such services.

b. In AID Administrative Support encompasses a group of systems and/or procedures utilized by AID to provide to, or obtain from, other U.S. Government agencies various administrative type services on a reimbursable basis. The specific services required are the basis of an agreement between AID and the providing or requesting agency. Charges are based on the kinds and amounts of services provide or received by AID.

2. Foreign Affairs Administrative Support (FAAS)

a. Background

Effective October 1, 1976 a new system of financing administrative support costs overseas and in Washington was initiated. This system is called the Foreign Affairs Administrative Support (**FAAS**) system and it replaces the Shared Administrative Support (**SAS**) system. The Inter-Agency Council on Administrative Support, with representatives from the six major agencies (**State, AID, Defense, USIA, Action, and USDA**), was established to handle major matters of the FAAS system such as suggested improvements or perceived inequities in the system, alteration of the core/Distributed Administrative Support (**CORE/DAS**) base, and as a forum for appeal of local decision. The Council can take no action which binds an agency to the expenditure of funds appropriated to that agency.

b. Governing Principles of FAAS

The Council adopted the following principles to govern the FAAS system:

- (1) The Department of State should provide administrative support to other government agencies where (a) there is a potential for saving to the Federal Government through more efficient management of Federal Government resources, and (b) there is no real advantage to

both State and the other agency in having State assume the additional responsibilities and the cost to any agency is not increased.

(2) Simplicity in the management and monitoring of the FAAS system and responsiveness to the program needs of all serviced organizations.

(3) The responsibility for management of the CORE positions will be in the Department of State. However, State agrees not to increase or decrease the number of CORE positions where this will have an adverse impact on DAS positions without first consulting the Council.

(4) Overall management of the DAS positions will be in the Inter-Agency Council. Proposals to increase or decrease the number of DAS positions shall be subject to the Council's review. The Council will have available to its procedures and other means to control increases in DAS positions and in other DAS costs.

(5) Upon implementation of the FAAS system, the serviced agencies transferred to State funds to support CORE positions and related costs. These transferred funds represented a major part of the cost of providing administrative support to the serviced agencies under the previous reimbursement procedures (SAS). Accordingly, it is expected that substantially the same level of support shall be rendered to the serviced agencies from CORE positions under the new funding arrangement as were rendered prior to the revised funding methods. Serviced organizations should not, however, make increased demands on CORE positions beyond that which can be efficiently provided. Conversely, all State administrative employees should attempt to fulfill all reasonable requests for support by the serviced agencies.

(6) State will provide support to serviced agencies and will only charge them the added cost incurred by State in providing said service. If State can provide the services at no extra cost, the other agency or agencies will not be billed. If a service is being requested by one agency or more and said request causes State to incur added costs, these costs will be funded by the requesting agency during the first year of service. After that time, the costs will be distributed between all agencies receiving the common service.

(7) It is recognized that each agency maintains complete authority over its appropriation and that no decision of the council can bind it without its approval.

(8) The Council recognizes that stability in the funding of FAAS is important to the smooth operation of the system. Each agency will give State sufficient time to reduce costs when participation in FAAS is curtailed. State agrees to give each agency early notice of upcoming changes in agency costs under DAS and to allow the agency sufficient time to budget for these changes. State and each participating agency of the Council agree that DAS staffing must be responsive to the budget realities of the serviced agencies. Procedures will be established that will (a) guide the prompt reduction of DAS staffs when support requirements of serviced agencies are reduced and (b) provide for the timely and equitable redistribution of DAS costs.

c. Explanation of the FAAS System

(1) FAAS is an incremental cost system wherein State funds the fixed administrative support costs, and the other agencies fund the variable or added costs incurred by virtue of their presence

overseas. The system applies to Washington domestic costs as well as overseas post costs. The fixed and added costs of this system are called CORE and DAS (**Distributed Administrative Support**), respectively. CORE includes these positions and funds that are unaffected, or only minimally so, by changes in the volume of administrative support provided by State to other agencies. DAS includes those positions and funds that vary depending on the nature and extent of the administrative support provided to other agencies.

(2) Under this system, agencies other than State can expand or contract, either overseas or in Washington, without having an effect on the positions and funds State needs to continue to provide administrative support. The CORE remains intact. The impact of having one or more agencies sharply curtail, or even completely eliminate, their programs in a country should be limited to the added or DAS costs, in either positions or funds, that State incurred to provide administrative support to these agencies. (**Note A: It is recognized that if all agencies completely eliminated their programs in a country, and State was there alone, that there would be some impact on CORE as well as on DAS; however such a possibility is too remote to be a valid factor in determining State's fixed personnel and other costs.**)

(3) State budgets and funds for all costs of CORE positions, including any support costs required. This concept applies equally to Washington domestic and overseas costs. And, this budgeting and funding principle ignores, beyond the initial determination, what agencies are supported by the CORE position and to what extent. If, for example, an American budget and fiscal officer at Post X is considered a fixed State cost, State funds for the full salary, allowances, and other costs of supporting that B&F officer, even if in actual practice 40% of his/her time were devoted to supporting agencies other than State. As long as State workload permits, these agencies receive the benefits from that CORE position, free of any charge or reimbursement.

(4) Positions and costs beyond the State CORE are distributed among the participating agencies in proportion to their use of services as reflected by workload statistics as presently maintained. No part of the added costs (**DAS**) will be borne or shared by State, even if State derived some administrative support from a particular DAS position.

(5) Under FAAS, no change is contemplated in the manner of preparing Form SAS-6, Other Object Distribution, or in the method of distributing these costs to State and the serviced agencies. This means that the majority of the SAS-6 costs continue to be apportioned on the basis of the SAS-5 percentages. However, use of the SAS-5 percentages developed under the FAAS system permit State to fund the other object costs required to support CORE positions. This is a temporary procedure for FAAS costs and will be amended when the new procedure is developed.

d. Regulations Applicable

The principles outlined in 4 FAM Appendix B 120 of the SAS Uniform State/AID/USIA Regulations (**see Appendix A of this Chapter**) have been modified for application to FAAS, as stated in Section 11E2b. Wherever possible, the methods and procedures set forth in Appendix 11A are used to prepare fiscal year FAAS estimates. (**Details on modification to these procedures are covered in instructions for the FY 1977 estimates.**) The **FAAS estimates consist of three separate parts: (1) CORE/DAS Schedules, (2) Going Rate Estimate, and (3) Initial Increase-Decrease Estimate.** Guidelines for preparing the FY 1976 SAS estimates convey the basic rationale and procedures to be applied in the initial

determinations for classifying American and Local positions between CORE and DAS.

e. Overseas FAAS Budgets

(1) Budgets for the overseas portion of FAAS costs are prepared by Embassies and reviewed and approved by Mission's or AID Regional Offices in countries where the Regional Office is the only AID Representative. Where AAG and/or AG/IIS offices are present, they will be consulted as to their requirements. The first step in this process is an annual review for the purpose of establishing the current needs of the Mission for FAAS services and the ability of the Embassy to provide these services. This is followed by a Mission review and approval of the FAAS budget schedules including workload and cost factor distributions, the annual budget request (**Going Rate**), and proposed adjustments to the annual budget request (**Increase-Decrease Request**). Issues raised by the Mission in its budget review, which cannot be satisfactorily resolved with the Embassy, are noted in the post FAAS budget for consideration at the Washington level reviews, and they may be subject to decisions by the Interagency Council on Administrative Support.

(2) In the Washington review and approval of the overseas FAAS budgets an amount is added by the Department of State to cover the American **personnel benefits** cost factor that is not included in the budgets submitted from the field. Aside from this, nothing is added in the Washington review that had not been initiated by the post and approved by all agencies at the post. Any other adjustments in the post budgets made in Washington generally will be reductions based on questions raised by the participating agencies in the Washington review or for the purpose of compressing the total FAAS budget within overall funding availabilities of the participating agencies.

f. Domestic FAAS Budget

A fairly substantial portion of AID's share of the total FAAS costs covers expenses not included in the overseas FAAS budgets. These items consist of costs in support of overseas operations which are funded centrally (**in Washington**) by the Department of State for such things as post assignment and home leave travel for overseas FAAS staff and worldwide medical and communications costs; and overseas costs at State Department posts where there is no Mission. Under the FAAS system, reimbursements to State for domestic administrative support is substantially less than under SAS because (1) reimbursement under FAAS covers only a few items such as certain medical services and pouch costs and (2) vehicle replacement costs are fully funded by State.

g. Review and Approval of FAAS

AID/W's central review of FAAS budgets is guided by the general principle that we must abide by the existing system. This is not to be construed as raising a barrier to changes in the system. Changes in the system come under the purview of the Inter-Agency Council on Administrative Support principally concerned with administrative support arrangements. Proposals for change may be referred to the AID representative on that council and are to be taken up with the council. Responsibilities within AID for the various elements of the FAAS review and approval process are as follows:

(1) Mission

(a) Review the Mission's budget needs at least annually, and all other FAAS budget schedules at the various time intervals that they are submitted to State.

- (b) Validate the workload statistics applied to AID.
- (c) Approve for AID the FAAS post budgets, including adjustments, and the level of the AID share of these budgets; noting for AID/W attention, any disagreement with the budget that has not been resolved to the Missions's satisfaction at the post.
- (d) Provide at least 6-months advance notice to the Embassy whenever significant changes in Mission workforce levels or other factors affecting FAAS workload are known in advance to obtain appropriate credit in FAAs charges. A copy of the notification is also to be sent to State/W and to AID/W for the attention of the Support Planning Division (**SER/FM/SPD**).
- (e) Identify, as appropriate, any other options available to the Mission for obtaining needed services.

(2) AID/W

(a) Office of Management Operations (SER/MO)

- 1. Examines Mission services being obtained to determine if they are in conformance with AID policies and approved Mission plans for support services.
- 2. Examines optional ways of Missions obtaining services.
- 3. Assists Missions and the Department of State in improving the quality of the services.
- 4. Reviews overseas FAAS budgets, validates AID workload statistics and approves the share of costs for services at State Department posts where there is no AID staff to conduct these reviews.
- 5. Coordinates with SER/FM the results of SER/MO reviews having an effect of FAAS costs.

(b) Support Planning Division

- 1. Represents AID on the Inter-Agency Council on Administrative Support.
- 2. Reviews overseas and domestic FAAS budgets; validates AID's share of the costs; coordinates with Department of State and other serviced agencies on policy and procedural matters, questions dealing with matters of interagency concern, and points of issue raised by AID Missions.
- 3. Reviews overseas centrally funded FAAS budgets from posts where there is no AID representation and validates AID's share of the costs.
- 4. Reviews Special Agreements for administrative services and validates AID's share of the costs.
- 5. Analyzes and compares functional FAAS costs.
- 6. Negotiates with the Department of State the total worldwide FAAS costs to be reimbursed. (**Individual Mission amounts are kept within the levels approved by each Mission, as adjusted to include the centrally funded Personnel Benefits costs.**)
- 7. Advises Missions of their individual total annual costs and

account(s) to be charged (dollar account and/or Trust fund account).

(c) **AID/W Geographic Bureaus and Auditor General**

The Geographic bureaus and the Auditor General in AID/W serve as expeditors on FAAS problems Missions have referred to AID/W. Though they have no direct review responsibilities for types and levels of services, workload, or cost, they may be consulted on any of these matters by either SER/MO or SER/FM.

3. Special Administrative Support Agreements

Special Administrative Support Agreements are agreements between AID and other U.S. Government agencies, including the Department of State in cases not covered by the General FAAS Agreement, for providing or receiving administrative type services both in Washington and overseas. The individual agreement is tailored to meet the requirements of the respective parties thereto. Special agreements are in force; for example, between AID and OPIC in Washington for services provided by AID and vice versa; between AID and the Department of State for support in Hong Kong; etc. Charges are based on the kinds and amounts of services provided or received by AID. Special agreements entered into are to be adequately justified and require approval of SER/MO/OM which has responsibility for monitoring agreements and determining the propriety of State and agency billings for the support services covered.

11F. Mission Accounting and Reporting for Operating Expenses

1. Purpose

The primary purpose of the Accounting and Reporting requirements is to furnish Mission and AID/W managers with reliable data, derived from formal accounting records, which will be supportive of their responsibility to economically manage the control and obligation of operating expense resources available to them. The budgetary constraints under which AID must obligate its operating funds in each fiscal year make it imperative that there be continuous monitoring and effective control of actual operating expense obligations. A secondary but equally necessary purpose of these requirements is to support, by means of formal and uniform accounting records, the integrity of operating expenses actual obligations reported to the Congress and used in the annual budget process.

2. Accounting

a. General

The Accounting system provides for accumulation of operating expenses obligations, both dollars and trust funds, by object and sub-object class codes that have been prescribed for AID use. (**Accounting and reporting for operating expenses by management function were discontinued effective July 1, 1976.**) Mission funded obligations are recorded in object class distribution ledgers by the three-digit object class codes so that such information can be readily extracted for required reporting purposes. The distribution ledgers are subsidiary to allotment ledgers, derived pursuant to obligation documentation outlined in Handbook 19, Chapter 1, and are totaled and reconciled periodically with obligations recorded in the allotment accounts covering the Mission's dollar funds and dollar and local currency trust funds. AID/W funded obligations (**U.S. direct hire salaries and benefits and FAAS costs**) are recorded in memorandum records and totaled periodically for inclusion in required reports to AID/W and Mission management. Amounts budgeted for each object class (**MOB submission amounts adjusted for subsequent AID/W approved financial plans and approved changes during**

the fiscal year) are recorded in the distribution ledger headers for monitoring activity in the operating expense accounts during the year.

b. Object Class Identification

Definitions of object and sub-object classifications which apply to operating expenses and the numerical codes assigned are provided in AID Handbook 18, **Information Services**, Appendix D, Attachment E-1. Obligation documents are annotated with the applicable three-digit object and sub-object class code.

c. Records and Procedures

(1) Mission and Trust Funded Obligations

Subsidiary distribution ledgers are maintained for each Mission operating expenses dollar and trust fund allotment ledger. Every obligation entered in the operating expenses allotment ledger is also posted to the object and sub-object class distribution ledgers. At the end of each month subsidiary distribution ledgers are totaled and balanced (**reconciled**) to the allotment ledger obligation totals. Distribution ledgers are maintained for each of the following two-digit object class codes and the related sub-object class codes:

Code Coverage

- 11 Personnel Compensation
- 12 Personnel Benefits
- 13 Benefits for Former Personnel
- 21 Travel and Transportation of Persons
- 22 Transportation of Things
- 23 Rent, Communication and Utilities
- 24 Printing and Reproduction
- 25 Other Services
- 26 Supplies and Materials
- 31 Equipment
- 32 Lands and Structures
- 40 Grants and Fixed Charges

(2) AID/W Funded Obligations

Since AID/W-funded Mission operating expenses are not recorded in the official Mission allotment accounts, memorandum records are kept to accumulate these expenses. While not mandatory, the distribution ledger form is the recommended memorandum record because it provides more consistency and permanence than worksheets or other memoranda.

3. Reporting

a. Mission Reports

(1) As indicated in 11A, Mission management exercises economic and effective control over total Mission operating expenses, whether funded from Mission dollar allotments, local currency funds, or by AID/W. Mission Controllers are responsible for keeping Mission management informed throughout the year on the status of operating expense activity. Significant variations between actual and planned levels of activity are analyzed and brought to Mission management attention on a timely basis so that remedial action can be taken internally or, if the circumstances dictate, needed changes in the planned level of operating expenses can be justified to AID/W.

(2) Formal reports to Mission management are not prescribed. From the accounting records and procedures prescribed herein, internal

reports and analysis are derived to the extent required by each Mission's management to achieve effective and continuing control on a more frequent and/or detailed basis than is required in reporting to AID/W.

b. AID/W Reports

(1) **Monthly** reporting of cumulative dollar obligations against the Mission's dollar allotment and trust funds, as applicable, was required beginning October 31, 1976. Reports are sent via priority cable to SER/FM/SPD, AID/W, and are due not later than the second workday following the end of each month. Trust funds are to be expressed in dollar equivalents and are to be reported in a column separate from the Mission's dollar allotment. The two-digit object classes to be reported are 11, 12, 13, 21, 22, 23, 24, 25, 26, 31, 32, 40 and total. The three-digit object classes to be reported are 310, 311, 312, 319 and total.

(2) The **Annual Report of Obligations by Object Class** provides AID/W with data essential to the preparation of the object classification schedules that will be printed in the Appendix of the budget of the U.S. Government. Mission and AID/W operating expenses are included in this report. Instructions on the form, content and other details for the preparation and submission of this report by Missions are issued by AID/W annually.

(3) The **Report of OMB Circular A-93** calls for submission of data on worker years and payroll and related benefits costs. Mission and AID/W operating expenses are included in this report. Instructions on the form, content and other details for preparation and submission of this report by Missions are issued by AID/W annually.

**FOREIGN AFFAIRS ADMINISTRATIVE SUPPORT
(FAAS)**

Principles and Procedures

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110 Introduction

The Foreign Affairs Administrative Support (**FAAS**) program is the medium for providing the administrative backstopping services which are a common requirement of all U.S. Government programs overseas. To maintain U.S. employees overseas means providing them with a place to work and live, the physical facilities necessary to do the job, communications with parent agency in Washington, and assistance and protection for themselves and family in a different and sometimes strange environment.

The **FAAS system** is the method of determining administrative support costs and distributing these costs among all the supported agencies. The apparent complexity of the system is caused by the different funding objectives which the system encompasses, as follows:

1. The Department can maintain the basic staff and facilities which it needs to support its permanent program overseas.
2. The additional increments of staff and facilities necessary to the support of other USG programs as a whole can be readily identified.
3. The added costs of support to the other agencies can be distributed among the agencies in a manner which recognizes the different degrees of support required among programs which range from very small to very large.

Since World War II, the Department has provided administrative support services to USG agencies with programs overseas. This arrangement has been based on the premise that by the expansion of the Department's basic administrative capacity to include the common administrative requirements of other agencies, thus preventing duplicative staffing and resources, with the supported agencies sharing in the costs of these augmented facilities.

Originally, the cost sharing concept was similar to the present method in that the agencies paid only for the added costs of resources, but the rapid growth of numerous programs, including the Department's, made the segregation of added costs too difficult. In an attempt to simplify the effort, this method was followed by a **per capital** system, which merely divided the country costs by the number of persons serviced. The shortcoming in this method was the assumption that each person in each program received an equal degree of support services, which experience has proven untrue.

These previous mechanisms gave way, in turn, to a system of cost distribution in which individual services were identified and shared in accordance with workload counts, or factors, which were applied to each of the services.

The present system came about as a result of concurrent Departmental and GAO studies which concluded that the Department should budget and fund all of the costs of the basic administrative structure required to support the Department's permanent programs without regard to the less permanent and ever-changing programs of other agencies. GAO's concern was that the Department's appropriation, prior to FAAS, did not reflect the full cost of its overseas operations; the Department's concern was in stabilizing its basic share against the significant swings which resulted from the rise and fall of other agencies' participation.

Thus, the FAAS system provides that the State Department will fund the CORE costs, and the supported agencies fund the DAS costs. CORE is not an acronym but refers to the basic administrative organization which is necessary even if no other agencies are present. DAS stands for

Distributed Administrative support, and is that additional portion of the structure which is added to the CORE to meet other agency requirements. DAS costs are shared by the application of workload factors which measure the varying degrees of service among the participating agencies.

The distinction between CORE and DAS costs is based on the designation of administrative positions in each category. A percentage relationship is developed from the costs of these positions and applied to certain non-salary costs to provide a derived CORE and DAS distinction in those areas which are not readily susceptible to a more precise separation.

For the principal officer of the supported agency, the key elements in the FAAS funding system are the percentages which are developed from the current year's support activities, and the application of these percentages to the total cost estimates for the next year (**the financial plan year**).

The process of developing the percentages is set forth in Chapter 300. The post administrative support agreements lists the various services which are available. The workload factor distribution schedule measures the workload of all agencies in terms of the proportionate use of each service. The staffing distribution schedule identifies the CORE and DAS positions and the percentage relationship of each. The personal services distribution schedule spreads the costs of the services which are performed by the DAS positions, and the other objects distribution schedule does the same for the non-salary costs.

It will be noted that the workload and costs in the current year are used to develop the percentages which determine the actual reimbursements in the projected financial plan year. This permits the accumulation of workload data over a full year, and the use of dollar amounts which are related in time to the workload. It assumes that the service requirement remains relatively stable from year to year.

The costs to which the percentages are applied, to determine the reimbursements which will be paid, are developed as shown in Chapter 400. The FAAS Field Budget Estimates and the Mid-Year Financial Plan represent what the post feels it will need to continue to provide administrative support in the new fiscal year to all agencies.

The FAAS estimate that the supported agency is called upon to review and initial is for FAAS purposes only. It is not the full cost of running the Department's programs in a country. The Department's basic programs, or substantive activities, are funded by a separate allotment for that purpose, just as each supported agency has an allotment at the post to take care of the costs which are directly identified with the agency's program. FAAS does pay for some common costs for all agencies. Basically, the rule is that costs for the direct benefit of the agency, which can be readily identified and vouchered, will be charged to the agency's funds. This will normally include such charges as allowances of program personnel, salaries of locally hired people, office and residential rents and utilities, office furnishings and equipment. It may also include such things as telephone tolls and telex charges, and other items peculiar to the agency's program requirements.

The State Department is the manager of FAAS. An inter-agency council of the major participants is the policy board. Procedures and regulations are established by the council. Funding requirements are jointly reviewed at the country level and in Washington. An agency with a servicing problem is encouraged to work this out at the post, but the agency representative has the option of sending its views to its agency in Washington, which in turn can bring it to the council's attention, where it will be given full attention.

To meet the wide variety of servicing requirements on a world-wide

basis, and to handle the resulting masses of data which are generated, the system is built on numerous compromises. In many specific instances, therefore, it may not meet the standard of perfection that may be present in one agency's operations, or more particularly, the standard that may be in the mind of an individual client agency representative. It does, however, continue to provide the common administrative support services which are necessary to U.S. programs overseas.

120 The Inter-Agency Council on Administrative Support (the FAAS Council)

Like its predecessor, SAS, the FAAS system is a cooperative endeavor of all the beneficiary agencies. Policies, rules, regulations, are all developed in concert for the common good of the participants and with consideration of their varying viewpoints. The interests of all agencies, and the overriding interests of the U.S. Government as a whole, are represented in the governing body of the Inter-Agency Council on Administrative support, commonly referred to as the FAAS Council.

Participating in FAAS are as many as 150 funding components. These are departments, agencies, bureaus, offices, and programs, present in various degrees in embassies and consulates around the world. Administration of the system with equal representation for all would present an unmanageable problem. Therefore, the FAAS Council is limited to a reasonable number of those agencies with the largest stake in the successful operation of the system with provision, of course, for the representation of the remaining participants through the designated Council members. The membership of the Council, and the relationship to all other participants, is described in the charter in Section 125 below. A FAAS Working Group, as shown in Section 140 below, assists the Council in the minutiae of its administration of the system.

121 Typical Matters of Council Consideration

First and foremost, of course, an informal **Council** laid out the ground rules and the basic philosophy for the changeover from the old method of total sharing of administrative costs to the FAAS system with its CORE/DAS distinction. This early council developed the rules for the original CORE and DAS position designation and then wrote its own Charter. Since that time, with the official implementation of the FAAS system in FY 1977, the Council has met frequently and played an active role in the many different issues which arise. Typical of such issues are the following:

- a. The review and approval or disapproval of DAS position increases and decreases.
- b. The establishment of ad hoc task forces and/or working groups for special projects, such as the changeover of the West African Consolidated Administrative Services Center (**WACASC**) from S&E funding to Working Capital Fund funding, and eventual termination.
- c. The President's directive to explore opportunities for further consolidation of overseas administrative support.
- d. The implementation of Joint Administrative Offices.
- e. General reductions in FAAS positions resulting from reduced employment ceilings.
- f. GAO report and Congressional inquiry on FAAS.
- g. The assumption by the State Department of funding responsibility for government-owned and long-term leased properties and the resulting appropriation transfers.

h. Procedural changes in FAAS and the establishment of FADPC, Bangkok.

i. Special reports on unique countries where significant funding problems have arisen, such as Egypt, Iran, and WACASC.

125 Charter for the Inter-Agency Council on Administrative Support

Article I - The major agencies principally concerned with the Foreign Affairs Administrative System (**State, Defense, AID, USIA, Peace Corps, USDA and Commerce**) hereby establish a council in Washington for the purpose of mutually considering and eliminating problems and improving services provided. The committee will deal with major matters concerning the Foreign Affairs Administrative system, such as suggested improvements in the system alteration of the CORE/DAS base, perceived inequities in the system and finally serve as a forum for appeal of local decision. It is recognized that the Council can take no action which binds an agency to the expenditure of funds appropriated to that agency.

Article II - The council shall be named the Inter-Agency Council on Administrative support.

Article III - The council shall be made up of seven voting members. Each of the major agencies participating in the Foreign Affairs Administrative System shall designate one representative at the Deputy Assistant Secretary level. The eighth member and non-voting member of the Council, its Executive Officer, shall be designated by the Department of State.

Article IV - The council shall normally meet once every quarter. Any of the seven representatives can call a special meeting by informing the Executive Officer.

Article V - Any of the member agencies can bring a matter before the council by contacting the Executive Officer and requesting that it be placed on the agenda.

Article VI - Any agency participating in the Foreign Affairs Administrative System which is not represented on the council can bring a matter before the council if at least one of the seven major agencies agrees that the matter needs to be discussed. For that matter and that matter only, the other agency shall become a full member of the council.

Article VII - It will be the responsibility of the Administrative Officer and representatives of the participating agencies at a post to establish procedures for the administration of DAS at the local level. Local procedures will be within the guidelines set by the Inter-Agency Council. To the extent possible any questions involving the administration of DAS will be resolved at the post. In the event that this is not possible, the local decision may be appealed to the Inter-Agency Council in Washington.

Article VIII - If after considering the matter presented all members agree, the State Department representative shall insure that the recommendation is implemented. If there is disagreement, the written recommendation shall state which members concur in its recommendation and which dissent. The recommendation shall then be submitted to the Assistant Secretary of State for Administration for final written determination. The Assistant Secretary's response shall include a concise statement of the reasoning for each determination. The Council Executive Officer shall maintain a complete record of all determinations requested and final disposition thereof. The Department of State agrees to seriously consider these recommendations but continues to reserve final decisional power on policy matters concerning the Foreign Affairs Administrative System.

130 Governing Principles of the FAAS System

The statements of Policy and Principle enumerated below are the guidelines for the administration of the Foreign Affairs Administrative Support System:

1. The Department of State should provide administrative support to other government agencies where:
 - (a) There is a potential for saving to the federal government through more efficient management of federal government resources.
 - (b) And, there is real advantage to both the Department and the other agency in the Department assuming additional responsibilities and the cost to any agency is not increased.
2. Simplicity in the management and monitoring of the new arrangement and responsiveness to the program needs of all services organizations should be characteristics of the Foreign Affairs Administrative Support system.
3. The responsibility for management of the CORE positions will be in the Department of State. However, the Department agrees not to increase or decrease the number of CORE positions where this will have an adverse impact on DAS percentages without first consulting the Council.
4. Overall management of the DAS positions will be in the Inter-Agency Council on Administrative Support. Proposals to increase or decrease the number of DAS positions shall be subject to the Council's review. The council will have available to it procedures and other means to control increases in DAS positions and in other DAS costs.
5. Upon implementation of the Foreign Affairs Administrative System, the serviced agencies transferred to the Department funds to support CORE positions and related costs. These transferred funds represented a major part of the cost of providing administrative support to the serviced agencies under the previous reimbursement procedures. Accordingly, it is expected that substantially the same level of support shall be rendered to the serviced agencies from CORE positions under the new funding arrangement as were rendered prior to the revised funding methods. Serviced organizations should not, however make increased demands on CORE positions beyond that which can be efficiently provided. Conversely, all Department Administrative employees should attempt to fulfill all reasonable requests for support by the serviced agencies.
6. The Department will provide support to serviced agencies and only charge them the added cost incurred by the Department in providing said service. If the Department can provide the service at no extra cost, the other agency or agencies will not be billed. If a service is being requested by one agency and said request causes the Department to incur added costs, these costs will be funded by the requesting agency during the first partial year of service plus the succeeding full year of service. After that time, the costs will be distributed among all agencies receiving the common service.
7. It is recognized that each agency maintains complete authority over its appropriation and that no decision of the Council can bind it without its approval.
8. Each council member recognizes that stability in the funding of administrative support is important to the smooth operation of the Foreign Affairs Administrative System. Each agency will give the Department sufficient time to reduce costs when participation in FAAS is curtailed. The Department agrees to give each agency early notice of upcoming changes in agency costs under DAS and to allow the agency sufficient time in which to budget for these changes. The Department

and each participating agency of the Council agree that DAS staffing must be responsive to the budget realities of the serviced agencies. Procedures will be established that will (1) guide the prompt reduction of DAS staffs when support requirements of serviced agencies are reduced and (2) provide for the timely and equitable redistribution of DAS costs.

9. The cost of overseas administrative support services provided by State Department posts to U.S. Government agencies shall be reimbursed in proportion to services requested by and performed on behalf of each participating program or agency.

10. The chief representative of each serviced agency should recognize a mutual interest in the efficient and economic management of the administrative operation to the extent that facilities are made available to the agency. To this end, the representative should enter into an agreement with the administrative officer to make certain that the range of available services the agency requires are in fact provided or made available for the use, and that the proportionate share of the total cost attributed to the agency is equitable.

11. State, through its post administrative officers, will be fully responsible for providing the agreed administrative services to all participating agencies in an equitable manner and as contemplated in principle 10 above. Post administrative officers will instill in the shared administrative staff this same recognition of responsibility for servicing all participating programs.

12. The quantity, extent, and standards of service provided to different serviced agencies shall not necessarily be identical but shall be tailored to the requirements of each agency to accomplish its assigned program responsibilities to the extent that the agency provides funds to meet such servicing requirements. Variations in the range and level of service shall take into account differences in the nature of programs and/or local conditions.

13. To facilitate the management of the services, each participating agency and State will develop a range of services for that agency's individual missions as may be required in the light of local conditions.

14. Because major portions of the shared administrative costs are relatively inflexible within short time periods, participating agencies will undertake to stabilize the range of services requested within a given country from year to year.

15. Each participating agency will meet not only the cost of providing support to its own program operations but also its share of costs attributable to supporting the staff and activities necessary to provide the shared administrative services.

16. All agencies being serviced by State must understand that the services to be rendered must be within the provision of legislative and other regulatory authority of State. Agencies must also understand that FAAS or other reimbursement procedures cannot be used as a vehicle for obtaining services for which an agency does not have the authority to render its own people.

17. The serviced agency will be charged on a subfunction basis for only those services it agrees to accept.

18. Personnel performing shared administrative services shall preferably be employed on the payroll of the Department of State. Where appropriate in countries with foreign assistance programs, the Department of State through its Office of Personnel and Agency for

International Development through its Office of Personnel, and in close consultation with appropriate geographic bureaus in both agencies, will assign personnel from both the Department and AID to the positions performing shared administrative services. Where appropriate, mutual effort will be made to arrange details of personnel and appropriate reimbursements, so that the responsibility for management of the shared services will remain with State. If another agency is in the best position to provide certain administrative support services, such agency, with Washington approval, may be delegated responsibility for providing these services.

19. In view of stringent employment limitations, agencies requiring increased levels of support which necessitate additional DAS positions will provide the increased personnel or work with State to arrange increases in State ceilings through the Office of Management and Budget.

20. To clarify the basic concepts of when to place charges under FAAS or do direct charging, the following principles will be observed. All agencies endorse the principle of direct charging whenever possible since it (a) gives each agency a better understanding and management of its major administrative expenses, (b) precludes disagreements over possible inequitable distribution, and (c) reduces administrative support reimbursements and the scope of the negotiating process.

21. Direct charging is to be used when it supports the principles mentioned immediately above and when the charges can readily be separated and vouchered.

22. If agencies at any post prefer funding for special items through FAAS or on a joint administrative organization basis, such approval should be obtained from Washington.

23. The planned and efficient provision of common support services requires early funding and firm agreements for each full year. As required by the serviced agencies, State will anticipate and estimate as carefully as possible, after discussion with serviced agency representatives, the full costs of providing the shared administrative services for the year. These costs will be distributed by agency and will be based on post workload data obtained through FAAS procedures. The funds for administrative support reimbursements must be scheduled within total agency appropriations, which finance many other purposes. The intelligent programming of total appropriations for financing many purposes requires that as many costs as possible be determined firmly as early as possible in each fiscal year. Therefore, after annual reimbursement ceiling amounts are determined as provided in the preceding paragraph, no changes will be made until the Mid-Year review except in the case of major changes in the reimbursing agency's program activities and support services desired or other significant and unavoidable increases or decreases which may result from the following:

a. The appropriation of funds substantially less than anticipated and which would substantially reduce the reimbursing agency's program activities.

b. The opening or closing of an overseas mission for which support services are desired or have been furnished.

c. A coordinated request from the mission for specific additional services and facilities or the elimination of services and facilities being performed for a specific agency or the mission, which would result in an increase or decrease in resources.

d. The passage of new Public Laws which impose a heavier financial burden.

e. Natural calamities, or precipitous actions of host governments.

Such increases as defined in paragraphs (b), (c), (e), and (f) will be promptly reported to agency representatives at the post and to Washington by joint message before the increased costs are incurred, unless physical circumstances make this literally impossible. The increased costs will be jointly considered in Washington, shared equitably among participating agencies pursuant to the principles herein, and approved to the extent funds are available among the agencies affected. Except for possible increases in total administrative expenses arising from such uncontrollable events, it is incumbent upon State to manage the shared arrangement in such fashion that distributions of costs, as approved in Washington by the FAAS Working Group and notified to the post, are not exceeded.

24. No charges will be assessed any agency through FAAS for rent or for common service-type structural changes on U.S. Government-owned and long-term leased real estate or real property provided by a foreign government as support in kind to a specific agency. Charges will **not** be made for depreciation of real or personal property. Agencies may be charged for replacement cost of personal property in the year in which replacements are made.

25. When an agency is responsible for an increase in their level of administrative services resulting in cost increases which would distort the distribution of the going rate percentages, then such cost increase should be handled as a **Special Item** in the FAAS mid-year financial plan submission.

26. State will account for the cost of FAAS services separately from State's own program and direct administrative expenses and shall make the FAAS accounts available for review by participating agencies.

27. Services to contractors may be provided as a FAAS cost only when the appropriate agency representative requests the post, in writing, to render such services as part of their mission and agrees to reimburse for services rendered. In no instance should a contractor, or contractor employee, pay State direct for services received.

28. The criteria for providing participating agencies with services for program services and administrative functions are as follows:

a. The **program services** which are normal functions of each agency at a given post should be made available, as practicable, to other agencies at that post without charge.

b. Significant **administrative services** or costs provided on a common basis by a serviced agency will, if the agency providing such services or materials so desires, be subject to reimbursement, or otherwise offset under agreed procedures

29. In an effort to promote better understanding of FAAS operations, serviced agencies agree that officers being assigned overseas, who will be involved in FAAS negotiations at posts, should consult with appropriate regional bureau personnel in State before proceeding to their posts. Likewise, FAAS personnel proceeding overseas should consult with major serviced agencies and FAAS personnel overseas should provide ample briefings on the FAAS system.

30. Agencies withdrawing partially or wholly from the joint servicing arrangement or having diminishing programs will provide reasonable (**6 months**) advance notice in writing to State, Washington, and the embassy so that termination of service may be effected in an orderly manner and coordinated with any need for changes in costs to other agencies, and so

that reductions may be accomplished most effectively and economically for all concerned. In the event an agency withdraws partially or wholly from the joint servicing arrangement, or fails to notify State, Washington, and the embassy that its program is diminishing without giving reasonable notice, then that agency shall bear the cost of terminating staff and a reasonable portion of the other costs allied to its withdrawal or reduced servicing.

31. When it appears that State can no longer perform a service it will immediately notify the requesting agency. If the problem cannot be resolved, State will give a formal 6 months' notice that the service is to be discontinued.

32. Instructions to the field concerning FAAS support and/or reimbursement procedures will be coordinated among the major participating agencies.

33. These principles will continue in effect until amended by common agreement.

140 The FAAS Working Group (FWG)

The FAAS Working Group is an adjunct of the FAAS Council. Each member serves as an alter ego to the Council principal for the purpose of initial review consideration of common concerns. Agency membership of the FWG is the same as the Council as described in Section 125, but where the Council is composed of representatives at the Deputy Assistant Secretary level, the FWG is staffed by budget and management personnel at the journeyman level. The FWG is chaired by the State Executive Secretary to the Council, and is often expanded to include other State personnel (**e.g., from the Regional Bureaus**) to draw on the field experience of those with intimate knowledge of the FAAS operation.

The FWG meets frequently, but not on a regularly scheduled basis. A principal function is to expedite Council action on post requests for increases or decreases in DAS positions, and in this process will review post justifications, reach a group decision, and obtain the concurrence of their respective Council principals.

Another major function of the FWG is the annual inter-agency review of post Financial Plans, as described in more detail in Section 550. These intensive review sessions establish the FAAS funding levels for each country, on which the annual reimbursement amounts for each agency are calculated.

In addition, the FWG participates in the development of procedural changes and provides the staff for Task Forces established by the FAAS Council for ad hoc projects.

150 Standard Functions and Subfunctions

Administrative support at overseas Posts is defined in terms of the following major functions:

1. Personnel Services
2. Budget and Fiscal Services
3. General Services
4. Communications Services
5. Security Services

6. Management Services

7. Direct Services

Within these major functions, the following standard subfunctions are used by each overseas post in reporting, pricing, and distributing costs of services rendered. A description of the more significant services provided within each subfunction, and the prescribed workload factor for each sub-function is also shown. Certain exceptions to the FAAS cost distribution system, or to the application of workload factors, which have evolved over the history of administrative support servicing are indicated here for ready reference.

1. PERSONNEL SERVICES

1.1 American Personnel Management. Includes recruitment, position classification, evaluation, personnel actions, career guidance, counseling, allowances review, leave records, staffing patterns and position schedules, and related reports and files. (**Factor A - Americans Serviced**).

Exception: It is not uncommon for an agency to provide personnel services for its American employees from the parent agency's on-site executive office or its home base in Washington. Therefore, if an agency uses **only one** of the sub-services shown above (**for example, the benefits of allowances review studies**) the quantity shown for Workload Factor A may be adjusted downward to avoid an inequitable share of DAS costs being charged to that agency. In this connection, by agreement between the Departments of State and Defense, American military personnel will not normally receive services other than allowances review and staffing patterns, in which case only civilian personnel will be included in Factor A for Defense Department components.

Funding Exception: All costs related to the Family Liaison Office will be charged to the State Program allotment and excluded from FAAS.

1.2 FSN Personnel Management: includes recruitment, position classification, evaluation, personnel actions, wage administration, staffing patterns and positions schedules, leave records, career guidance and counseling, and related reports and files. (**Factor B - FSN's Serviced**).

Exception: An agency which uses **only one** of the sub-services listed above (**for example, wage administration, may be excluded from the workload count**).

1.3 Welfare and Health Services: Includes diplomatic list matters, post reports and orientation, identity cards and licenses, assistance in traffic violations and accidents, commissary certification, Foreign Office accreditation, staffing and operation of health room, first aid, immunizations, dispensary, evacuations, and medical reports and analysis. (**Factor C - American Permanent Positions and Contract Americans**).

1.4 Travel Services: Includes preparation of travel orders, issuance of GTRs, assistance in arrival and departure, reservations, ticket purchases, hotel accommodations, itineraries, and obtaining foreign visas. (**Factor E - Number of Travelers Serviced**).

2. BUDGET AND FISCAL SERVICES

2.1 Accounts and Records: Includes allotment accounts, ledgers and obligation reports. (**Factor F - Number of Obligations Established**).

2.2 Payrolling: Includes maintenance of pay cards, computation of salaries and allowances, and pay check issuance. (**Factor D - Americans and Locals Payrolled**).

Exception: This function is handled at the Regional Administrative Management Centers at Paris, Bangkok, and Mexico City/Washington and it is not included as a Post subfunction. The Post's duties in the payroll process are handled as collateral functions in the Personnel or B&F sections.

2.3 Vouchering: Includes voucher preparation, certification, assistance in travel vouchering, and audit. (**Factor G - Number of Vouchers Processed**).

2.4 Cashier and Disbursing Operations: Includes check issuances in voucher payment, accommodation exchange, petty cash disbursing and related reports. (**Factor H - Number of Payments and Accommodation Exchanges**).

2.5 Budgeting and Financial Planning: Includes preparation of budgets, financial plans, and other related budgetary processes. (**Factor F - Number of Obligations Established**).

3. GENERAL SERVICES

3.1 Vehicle Operations (Pooled): Includes dispatching, driving for both personal transportation and for housekeeping functions, garaging, maintenance, and related records and reports. (**Factor J - Miles Driven (Pooled Cars)** or **Factor C - American Permanent Positions and Contract Americans**).

Exception: there are two kinds of Motor Pool usage available under FAAS: (1) **direct** use in the form of transporting people from one location to another; and (2) **indirect** use related to the performance of administrative support, such as mail and pouch runs, picking up supplies and equipment, property maintenance, and the trips about town on administrative business which benefit everyone without being identified with any single agency. There are also two kinds of cost elements involved: (1) the salaries and related costs of motor pool **personnel**; and (2) the non-salary costs of **automotive fuels and supplies**. For personnel costs, the designation of positions as either CORE or DAS takes care of the first cost distribution question - State pays for the CORE positions and the supported agencies share the costs of the DAS. The DAS positions can be distributed on the basis of Factor J or Factor C, with the choice depending on the preponderance of use of the position for direct or indirect benefit to the agencies. In the case of the non-salary costs of automotive fuels and supplies, where the total costs are to be distributed by a workload factor, and where the State Basic Program will always be a major user of direct services, the choice of a distribution factor for the DAS agencies becomes important. Again, the preponderance of use may determine which factor is the more appropriate. Where the use of **one** of the alternative workload factors for non-salary costs (**Other Objects**) would produce an inequitable distribution, it is suggested that costs be prorated between direct and indirect usage and both factors be used. The selection of factors should be agreed upon by the participating agencies.

Where both direct and indirect usage is involved, a suggested technique for the allocation of the workload is as follows: Record the direct usage (**mileage**) for each using agency, including State and FAAS. Distribute the FAAS mileage by Factor C, and add each agency's share to their direct usage. Use the total of the two elements to compute the percentage distribution of the workload.

3.2 Vehicle Maintenance (Non-pooled vehicles): Includes maintenance, repair, servicing, and related records and reports. (**Factor K - Hours Maintained**).

3.3 Administrative Supply: Includes requisitioning, stock control, supply and equipment issuances, accountability records and inventories of expendable and nonexpendable administrative supplies and equipment, and warehousing. (**Factor L - Dollar Value of Supplies Issued**).

3.4 Procurement: Includes purchase order preparation, market survey, and contracting. (**Factor M - Purchase Orders Issued, Bids Received, and Contracts Awarded**).

3.5 Reproduction: Includes operation of central reproduction facilities. (**Factor N - Number of Copies Reproduced**).

Exception: This subfunction is no longer included.

3.6 Shipment and Customs: Includes packing and crating, forwarding, customs clearance (**including negotiations with host government officials**) for incoming and outgoing official supplies, equipment, personal effects, and privately owned vehicles. (**Factor O - Shipments Sent-Received**).

3.7 Building Operations - Office: Includes space planning and utilization, utilities, and custodial and maintenance costs normally charged to the FAAS allotment. (**Factor P - Office Square Feet Occupied-Short Term Leased Buildings**).

Exception: In FY-1980 the State Department assumed responsibility for the funding of all Government-Owned and Long-Term Leased (**GOLTL**) properties which had formerly been shared by the participating agencies. Appropriation adjustments were made to transfer amounts, formerly reimbursed, to the State appropriation for this purpose, and DAS positions devoted to building operations were transferred to CORE. GOLTL costs and related positions will no longer be included in FAAS funding in FY 1984. The only costs distributed to support agencies are those related to the operation of Short-Term Leased (**STL**) properties. Therefore, the workload factor is limited to the square footage of STL properties.

3.8 Building Operations - Residential: Includes space planning and utilization, utilities, and custodial and maintenance costs normally charged to the FAAS allotment for FAAS employees. (**Residential Square Feet Occupied - Short-Term Leased Buildings**).

Exception: The same exception as shown for Subfunction

3.9 Leasing: Includes leasing of residential, office, and other functional properties. (**Factor I - Time Spent Leasing**).

4. COMMUNICATIONS SERVICES

4.1 Telegraphic Traffic: Includes encrypting and decrypting, processing of incoming and outgoing telegrams, maintenance of chronological files of traffic, and maintenance and operation of communication lines. (**Factor R - Telegraphic Work-Group Count**).

Exception: Services of American Communications personnel are provided without charge to DAS agencies. American Communications personnel salaries and related costs are not included in FAAS funding, and this subfunction is no longer shown as a FAAS service.

4.2 Pouching: Includes receipt and distribution of incoming pouches,

and preparation and forwarding of outgoing pouches, both classified and unclassified. (**Factor S - Weight of Pouches**).

4.3 Files and Records: Includes all records filed with the exception of chron files of incoming and outgoing telegrams. (**Factor Z - Linear Feet of Files**).

Exception: This subfunction is no longer shown as a FAAS service.

4.4 Mail and Messenger Service: Includes pouch transport, mail sorting, routing, and delivery. Also includes unclassified telegraphic traffic processed by FSN employees. (**Factor T - Pieces of Mail Handled**).

4.5 Reception and Switchboard Services: Includes central receptionists, telephone switchboard operators, servicing of telephone instruments connected to central switchboards, and secretarial systems. (**Factor U - Number of Telephones**).

5. SECURITY AND GUARD SERVICES

5.1 Personnel Investigations: Includes security orientation, interviews, name-checks, investigations (including police liaison on special cases), and evaluations. (**Factor V - Number of Investigations**).

5.2 Physical Security: Includes safe combination control, penetration control, and technical surveys. (**Factor P - Office Square Feet Occupied**).

Exception: Services of American Security personnel are provided without charge to DAS agencies. American security personnel salaries and related costs are not included in FAAS funding, and this subfunction is no longer shown as a FAAS service.

5.3 Marine Guard Service: Includes supervision, assignment, and activities of Marine Guards. (**Factor W - Hours of Marine Guard Service**).

Exception: Services of Marine Guards are provided without charge to DAS agencies. Marine Guard costs are not included in FAAS funding, and this subfunction is no longer shown as a FAAS service.

5.4 Watchman Service: Includes supervision, assignment and activities of direct hire FSN employee guards. (**Factor X - Hours of Watchman Service**).

6. MANAGEMENT SERVICES

This function is generally concerned with the overall direction of the activities of the FAAS staff and thus is normally limited to the administrative officer or deputy administrative officer and immediate staff. (**Factor C - American Permanent Positions and Contract Americans**).

7. DIRECT SERVICES

This function will be used in reporting DAS personnel who, by special funding arrangements with a specific agency, will be reimbursed 100% for the indefinite duration of that agency's support requirements. The costs of such positions, therefore, cannot be distributed by the standard workload factors since this would result in duplicate reimbursement by agencies which had not agreed to the arrangement.

In some cases it will be proper to include DAS SPECIAL positions in the Direct Services function, but only for the period of the FAAS estimate

which covers the special funding arrangement. DAS SPECIAL positions (**see Section 240**) are funded 100% by a specific agency during the **first year in which authorized and the second or succeeding year**, in order to permit the accumulation of a full year of workload statistics to determine the proper allocation of costs to all DAS agencies. Thus, if a DAS position is authorized between the beginning of the fiscal year (**October 1**) and the preparation of the next FAAS estimate (**March 30**) for the upcoming fiscal year, then the special funding arrangement will extend through the new fiscal year, and the costs of the positions allocated to the funding agency on FAAS-5 under the Direct Services function.

160 Standard Workload Factors and Work Count Methods

161 Introduction

The purpose of standard workload factors is to ensure that all posts count the same things and apply them in the same manner to distributed costs. In developing standard workload factors, it has been the objective to find countable workload readily available at the post which is required for management purposes, which provides a fair and equitable distribution of costs, and which is reasonable representative of the services grouped under each subfunction. It is FAAS policy that, unless specifically excepted, costs are calculated on a subfunction basis rather than on the subsidiary service basis.

The factors have been structured for use by each overseas post in counting, maintaining, and reporting workload statistics for all serviced agencies. Many of them can be counted as of the reporting date. Some require a full year's experience. For some, only four month's experience is required. As shown in the following sections, the same workload factors will, in several instances, serve to distribute costs of several subfunctions. The count periods are considered adequate for purposes of the system. The post may, however, maintain workload statistics covering a wider timespan if such is necessary for post management needs.

This section defines the workload count factors, the count period, and the subfunction or cost to which each factor is applied. As in the case of the standard subfunctions (**Section 150**), workload factors which have been dropped from use in the historical development of the administrative support funding system are indicated here in order to explain the alphabetical sequence of the factors. Workload data is maintained by the post on a country basis. Consulates will report such statistics to the embassy for consolidation on the Form FAAS-2, as required by the B&F officer.

The cost sharing techniques of FAAS have been approved by the Inter-Agency Council on Administrative support. The detailed instructions, below, were developed and written to cover a world-wide situation. Some posts may find that application of standard workload factors would result in significant distortion in cost sharing. When this situation arises the post should develop an alternative cost sharing technique. All agencies at post should concur in any changes to the cost sharing techniques and, most important, any changes should be fully explained in the FAAS submission.

162 Standard Workload Factors

Factor	Factor Letter	Count Period	Sub-Function
1. American Permanent Positions Authorized	-	March 30	-
2. FSN Permanent Positions Authorized	-	March 30	-

- | | | | |
|--------------------------|---|----------|---|
| 3. Contract Americans | | | |
| Currently at Post | - | March 30 | - |
| 4. Contract FSN's | | | |
| Currently at Post | - | March 30 | - |
| 5. Peace Corp Volunteers | | | |
| Currently in Country | - | March 30 | - |

The first five items of data indicated above, which are called for on the form FAAS-2, are not really workload factors. They are in some cases the basis for calculating factors listed below, but they are required as informational data showing the authorized personnel levels for State and other agencies which participate in FAAS, whether or not participation is at the full maximum level possible.

Peace Corp Volunteers should be included at authorized levels even though the **number** of PCV's is not to be included unless extraordinary circumstances indicate that they will be present and serviced during the full fiscal year. Marine Guard personnel will not be included. Strength figures should be obtained at least annually from the participating agencies, showing both **authorized** levels and actual on board as of the indicated Count Period, March 30.

6. **Americans Serviced**

Factor Letter: A
Count Period: March 30
Sub-function: 1.1

Based on the application of items one and three above, include American personnel authorized on the count period date for whom services included in subfunction 1.1 **American Personnel Management** are available. See exception for this subfunction in Section 150.

7. **FSN's Serviced**

Factor Letter: B
Count Period: March 30
Sub-function: 1.2

Based on application of items two and four, include FSN personnel authorized on the count period date for whom services included in sub-function 1.2 **FSN Personnel Management** are available. See exception for this sub-function in Section 150.

8. **American Permanent Positions and Contract Americans**

Factor Letter: C
Count Period: March 30
Sub-function: 1.3; 3.1

Authorized American permanent positions plus Contract Americans for whom services included in subfunction 1.3 **Welfare and Health Services**, and for related other objects costs such as Medical Supplies and Contractual Medical Services. Contract hire employees should be included in Factor C only when they receive a normal range of post administrative support services. Normal service in this instance is defined as substantially the same range and degree of services provided to the direct-hire employees of the serviced agency.

Exception: Factor C may also be applied to sub-function 3.1 **Vehicle Operations - Pooled** and to related other objects of expense such as Automotive Supplies and Automotive Fuels and Lubricants in accordance with the Exception shown in Section 150 for subfunction 3.1.

9. **Americans and FSN's Payrolled**

This workload factor and related subfunction are no longer used.

10. **Number of Travelers Serviced**

Factor Letter: E
Count Period: 6 mos. (1st & 3rd Q)
Sub-function: 1.4

Each request for service is considered one workload unit, regardless of time spent. Travelers from any agency other than those represented at post are to be charged to the State Basic Program.

11. **Number of Obligations Established**

Factor Letter: F
Count Period: 6 mos. (4th & 1st Q)
Sub-function: 2.1; 2.5

The number of obligations and adjustments established for each serviced agency's accounts, related to services rendered under subfunction 2.1 **Accounts and Records**. The factor is also applied to sub-function 2.5, **Budgeting and Financial Planning**. Regional B&F Offices will record workload for all serviced agencies, regardless of location.

Exception 1: when Factor F is applied to sub-function 2.5, the count of obligations should be adjusted to exclude agencies which do not use 2.5

Exception 2: obligations against all State accounts (**appropriation prefix 19**) should be charged to State Basic, to include S&E Program, FBO, Representation Allowances, etc. FAAS obligations are charged to FAAS. State programs which are serviced as DAS agencies are to be charged with obligations against their own accounts.

12. **Vouchers Processed**

Factor Letter: G
Count Period: 6 mos. (1st & 2nd Q)
Sub-function: 2.3

Total vouchers processed for each agency under sub-function 2.3, **Vouchering**. On petty cash transactions, replenishment vouchers are counted as one unit. Regional B&F Offices will record workload for all serviced agencies regardless of location. Split payments are charged as one to each paying account.

13. **Number of Payments and Accommodation Exchanges**

Factor Letter: H
Count Period: 6 mos. (1st & 2nd Q)
Sub-function: 2.4

All payments made whether by check or cash for any purpose and all accommodation exchanges made at post for each agency. On petty cash transactions, count only replenishment vouchers. Factor used for services under subfunction 2.4 **Cashier and Disbursing Operations**. Accommodation Exchanges made for Americans who are not connected with serviced agencies at the post are to be charged to State Basic.

14. **Hours Spent Leasing**

Factor Letter: I
Count Period: 12 mos.
Sub-function: 3.9

Record hours spent for each agency under sub-function 3.9, **Leasing**.

15. **Miles Driven (Pooled Cars)**

Factor Letter: J/C
Count Period: 4 mos. (July, Oct, Jan, March)

Sub-function: 3.1

Number of miles driven in Embassy motor pool vehicles in direct usage, as described in the exception to sub-function 3.1, Section 160. Factor J is used when appropriate to distribute personal services costs of sub-function 3.1 **Vehicle Operations (Pooled)**, and other objects costs such as automotive fuels and lubricants and automotive parts and supplies.

16. **Hours Maintained (Cars Not Pooled)**

Factor Letter: K

Count Period: 6 mos. (July, Aug, Sep, Nov, Jan, March)

Sub-function: 3.2

Number of hours spent in performing duties under sub-function 3.2 **Vehicle Maintenance (non-pooled vehicles)**. Factor is applied only when FAAS personnel are used. Contractual costs are charged directly to funds of the using agency.

17. **Dollar Value of Supplies Issued**

Factor Letter: L

Count Period: 12 mos. (4/1-3/30)

Sub-function: 3.3

Value of expendable office supplies issued applied to sub-function 3.3 **Administrative Supply**. Factor is also applied to other objects costs for Office Supplies.

18. **Purchase Orders Issued, Bids Received, and Contracts Awarded)**

Factor Letter: M

Count Period: 12 mos. (4/1-3/30)

Sub-function: 3.4

Total number of purchase orders issued, bids received, and contracts awarded in performance of subfunction 3.4 **Procurement**.

Exception: Exclude from the work count those purchase orders prepared by the participating agency, and contracts where the only function performed by FAAS is the assignment of a number.

Further Note: If the State Contracting Officer has contracting responsibility, that officer should perform all contracting services required by the participating agencies.

19. **Number of Copies Reproduced**

This workload factor and related subfunction are no longer used.

20. **Shipments Sent and Received**

Factor Letter: O

Count Period: 6 mos. (1st & 3rd Q)

Sub-function: 3.6

All shipments outgoing and incoming in performing duties under sub-function 3.6 **Shipment and Customs**.

21. **Office Square Feet Occupied**

Factor Letter: P-1, P-2

Count Period: March 30

Sub-function: 3.7

Total number of square feet of space occupied, as of the reporting date, in **non-residential short-term leased (STL) properties** for distribution of services performed under subfunction 3.7 **Building Operations - Office**.

Exception 1: The State Basic Program is responsible for funding all costs of operation and maintenance of State Department Government-Owned and Long-Term Leased properties (**GOLTL**) and all such costs are to be charged to the State Program Allotment. However, since the agency distribution of GOLTL office space occupied is necessary for the Department's management purposes, this information will continue to be reported on the FAAS-2.

Exception 2: Factor P-1 will be used to distribute the **cost of DAS positions** on Form FAAS-5. Square feet occupied will include all STL space operated and maintained by such positions, regardless of which agency funds the cost of the property. Factor P-2 will be used to distribute the **Other Objects costs of STL properties which are charged to the FAAS allotment**, on Form FAAS-6, such as rents, utilities, M&R, supplies, etc. Factor P-2 therefore will exclude space of STL properties when the costs are charged directly to the State Program Allotment or to the allotment of the funding agency.

Exception 3: In the event that Factor P-2 would create inequities when applied to any of the various sub-object classes of BOE costs, posts may use an alternative method for distribution (**see Section 161**).

22. Residential Square Feet Occupied

Factor Letter: Q-1; Q-2
Count Period: March 30
Sub-function: 3.8

Total number of square feet of space occupied, as of the reporting date, in residential STL properties for distribution of services performed under subfunction 3.8 **Building Operations - Residential**.

Exception: The exceptions in paragraph 21 noted above for the counting of Office Square Feet and the application of the workload factors apply also to Factors Q-1 and Q-2. However, since the agency distribution of GOLTL residential space occupied is necessary for the Department's management purposes, this information will continue to be reported on the FAAS-2.

23. Telegraphic Word-Group Count

This factor is no longer used.

24. Weight of Pouches

Factor Letter: S
Count Period: 4 weeks (**one week in Aug, Nov, Jan, March**)
Sub-function: 4.2

Weight of outgoing material pouched for distribution of DAS position costs related to subfunction 4.2 **Pouching**, and for other objects costs on Form FAAS-6 for the cost of transporting Unaccompanied Pouches.

25. Pieces of Mail Handled

Factor Letter: T
Count Period: 4 weeks (**one week in Aug, Nov, Jan, March**)
Sub-function: 4.4

Account of all incoming mail and unclassified telegraphic traffic processed by FSN employees for the specified periods, for use in distributing DAS position costs of subfunction 4.4 **Mail and Messenger Service**.

26. Number of Telephones

Factor Letter: U
Count Period: March 30
Sub-function: 4.5

Total number of telephone instruments operating from switchboards

served by FAAS Operators, for use in distributing costs related to subfunction 4.5 **Reception and Switchboard Services**, and for other objects costs on FAAS-6 for telephone charges.

Exception: Long distance toll charges and other charges which can be identified with the user should be excluded from the FAAS allotment and charged directly to the allotment of the responsibility agency, including the State Program allotment.

27. **Number of Security Investigations**

Factor Letter: V
Count Period: 12 mos.
Sub-function: 5.1

Count of personnel security investigations made for each agency at post, for distribution of costs related to sub-function 5.1 **Personnel Investigations**.

Exception: Simple name-checks requiring minimal time are counted as one-fourth of one workload unit. Washington-originated investigations for agencies which are not represented at post should be charged to the State Basic Program.

28. **Hours of Marine Guard Service**

This factor is no longer used.

29. **Hours of Watchman Service**

Factor Letter: X
Count Period: 1 month (**March**)
Sub-function: 5.4

Count of hours, by building, of service provided each agency during the stated period, for the distribution of personal services costs related to subfunction 5.4 **Watchman Services**, and for other objects costs of contractual watchman services.

Exception 1: When a property is occupied by more than one agency, the hours of service should be pro-rated by the square feet occupied by each agency.

Exception 2: Guard or watchman services for GOLTL properties should be charged 100% to the State Program Allotment.

Exception 3: Guard or watchman costs authorized by the Department under the Anti-terrorism program should be charged to the State Program Allotment and excluded from FAAS.

163 **Collection and Clearance of Workload Statistics**

It is vital to the FAAS process that the workload statistics be maintained accurately, and that they be reported promptly to a central point in the administrative section, either the administrative office or the budget and fiscal office. Responsibility for the maintenance and collection of the data should be specifically assigned within the units where the data is most readily available, with firm reporting deadlines. It is good practice to remind the reporting units of upcoming deadlines, particularly in the case of subsidiary posts where mailing or other transmission time is a factor.

Clearance of the workload statistics with the supported agencies has two purposes: (1) it assures the agencies that the ultimate percentages are developed from factual and supportable data; (2) it promotes the resolution of real or imagined inequities; and (3) it flushes out the inevitable errors which arise in statistics. The workload statistics should be

cleared with the agencies in advance of the preparation of the other FAAS schedules, to avoid the need for redoing them. One suggested technique, when feasible, is to circulate quarterly reports on the workload statistics, so that clearance time of the final report is minimized.

170 Due Dates for Post FAAS Estimate Submissions

Unless otherwise stated in special messages, the following standard submission dates are established:

1. The FAAS Mid-Year Financial Plan
 - due in the Department by May 10
2. The CORE/DAS Schedules
 - coincident with submission of Department FBE schedules.
3. FBE FAAS Schedules 1 and 13, Narrative Schedules 1-A and 13-A, and FBE schedules 14 through 16.
 - in accordance with Department instructions.

200 CORE AND DAS POSITIONS

210 Guidelines for the Designation of CORE and DAS Positions

CORE positions are those that are unaffected, or only minimally so, by changes in the volume of administrative support provided to other agencies. DAS positions are those that will vary depending on the nature and extent of the administrative support provided to other agencies. Under this system, agencies other than State, can expand or contract without having an effect on the positions State needs to continue to provide administrative support for itself. The CORE will remain intact. The impact of having one or more agencies sharply curtail, or even completely eliminate their programs in a country should be limited to the added or DAS positions which State has employed to provide administrative support to these agencies.

It is recognized that if all agencies completely eliminated their programs in a country, and State was there alone, that there would be some impact on CORE as well as DAS, because of the interchangeable use of the incumbents of positions in the daily course of providing FAAS services to all agencies. For the purpose of distributing costs to all supported agencies, the CORE and DAS designations relate to **positions** and not to the **employees** in the performance of their duties, who occupy the positions.

State will budget and fund for all costs of CORE positions, including any support costs required. This budgeting and funding principle ignores, beyond the initial determination, what agencies are supported by the CORE position and to what extent. If, for example, an American budget and fiscal officer at Post X is considered a fixed State cost, State will fund the full salary, allowances, and other costs of supporting the B&F officer, even if in actual practice 40% of that officer's time were devoted to supporting agencies other than State. As long as State workload permits, these agencies will receive the benefits from that CORE position, free of any charge or reimbursement.

Positions and costs beyond the State CORE will be distributed among the participating agencies in proportion to their use of services as reflected by workload statistics as presently maintained. No part of the added costs (**DAS**) will be borne or shared by State. This will be true even if State derives some administrative support from a particular DAS position.

211 Definition of CORE and DAS Costs

A. CORE Costs. Those positions and funds that are unaffected, or minimally so, by changes in the volume or type administrative support provided to

other agencies.

B. DAS Costs. Those funds and positions that move up or down in relationship to changes in the volume or type administrative support provided to other agencies; they are the added costs.

220 Application of CORE/DAS Guidelines to American Positions

1. General Administrative and Professional. The Administrative Officer, GSO, B&F and Personnel officers are CORE provided the post has only one officer of each type. The rationale for this determination is that these are State fixed positions and their existence does not depend primarily on the presence of other agencies at post.

The same criteria would be applied to a post which has a doctor or a post which has a nurse, the position would be CORE. If a post has both a doctor and a nurse, the doctor would be CORE and, depending on the situation, the nurse would be either CORE or DAS.

Where a post has more than one American of a type, e.g., a GSO and Assistant GSO, the determination of whether the second one is CORE or DAS depends primarily on the answer of this question, **Is the position required primarily because of the presence of a number of other agencies at post?** Or, to put it another way, **Could the Assistant GSO position be abolished if the majority of serviced agencies sharply curtailed, or completely eliminated, their programs and activity at post?** If the requirement for the position results primarily from the presence of other agencies at post; it is DAS. If not, the position is CORE. The same elements would control the CORE or DAS determination for each position of a type beyond the second.

Unfortunately, there is no precise data or exact method for determining the answer to the basic question. Existing for readily obtainable work measurement data for Americans frequently lacks a sufficiently solid foundation; but, this is not to preclude its use where its validity is demonstrable. There are, however, a number of good indicators that field studies show will be helpful and provide a reasoned and uniform determination. Specifically, the profile of the total administrative support requirement should be considered as follows: the number of other agencies and the size and scope of their activity; whether one or more of these agencies provide any of their own administrative support and, if so, to what extent do local conditions dictate unusual support requirements? These and related indicators should prove sufficiently reliable for CORE/DAS determinations on these American positions.

In all cases we are dealing in terms of whole positions. If it is concluded that more than one, but somewhat less than two positions constitute State's fixed requirement, the second as well as the first position should be classified as CORE. (**Note: If a post has a B&M officer as well as a B&F officer, the B&M officer normally will be considered CORE and the B&F officer will be considered as the second of a type and, depending on other factors described above, will be classified either CORE or DAS.**)

2. Security, Communications, and Marine Guards Positions

When the FAAS system was implemented in FY 1977, the Department made a conscious and deliberate decision that all security and communications American positions, and Marine guards, would henceforth be wholly provided and funded by the Department of State. Fundamentally, the levels of such positions required at any given post are not affected by the presence of other agencies, and therefore these positions were removed from the FAAS system and are administered as State Program positions. This, however, does not preclude the possibility that special arrangements in peculiar

circumstances might be made to provide such support for a particular agency on a reimbursable basis, in accordance with an agreement made in Washington.

230 Application of CORE/DAS Guidelines to Foreign Service National Positions

The working titles of FSN positions are the first factor in determining which are CORE and which are DAS. Special emphasis must be placed on using and reporting accurate and descriptive working titles, and if those in use at the post are not considered sufficiently accurate for this purpose, corrective action should be taken. The importance of this process in the review and understanding by personnel not intimately involved in post operations warrants the additional effort required to obtain a qualitative and useful product.

The first FSN position of a type is CORE. The rationale for this determination is precisely the same as for American positions, i.e., the requirement does not depend on the presence of other agencies at the post. To illustrate, if a post has an accountant, cashier, electrician, mechanic, chauffeur, mail clerk and switchboard operator, they are State fixed personnel requirements and are CORE. There may be exceptions to this rule and, when they arise, they should be documented at the post for the benefit of administrators and agency personnel who may follow the present incumbents.

In many instances, especially at the smaller size posts, it may not be possible to use a narrow descriptive title (**such as personnel clerk, procurement officer or accountant**) because of the variety of duties performed. Frequently the broader, but less descriptive title of administrative assistant is used. It then becomes necessary to examine the specific duties performed as reflected in terms of percentages of time devoted to subfunctions on the FAAS-4. To illustrate a situations of this type, a FSN with the working title of Administrative Assistant is the post's chief leasing officer and, because this duty is not full-time, also performs procurement and supply work. This FSN is CORE by virtue of the leasing function alone, and this would remain true even if there were other FSN's at post engaged in leasing, but in a lesser capacity.

Where there is more than one FSN of a type, any special requirements affecting State staffing should be isolated and considered. To illustrate, in some posts the telephone switchboard is located in or adjacent to the main lobby permitting the duties of the switchboard operator and receptionist to be performed by one FSN. In other posts, the physical location of the switchboard and the main lobby precludes such a staffing situation, regardless of the fact that it is feasible from the standpoint of workload. In the first illustration, the FSN is obviously CORE. In the second illustration, both FSNs are CORE because State has a requirement for one FSN to perform the receptionist function and one to perform the switchboard function.

Another special requirement, which was discussed briefly under Americans, is the minimum staffing requirement to provide coverage for an abnormal or irregular work week. The unclassified wire room may be open 16 hours on weekdays, and 8 hours on Saturday. The minimum manning level of FSNs required to cover eleven 8-hour shifts is CORE. The same situation would prevail where, e.g., chauffeurs are required for both a day and evening shift. Normally, the number required for the evening shift would be CORE, and the number required for the day shift would be divided between CORE and DAS based on attributable workload.

The final factor to be used in determining which FSN's are CORE and which are DAS is work measurement data. A majority of the functions performed by FSN's are susceptible to such measurement and, unlike Americans, the use of available data can result in reasoned and uniform

determinations. Where work measurement data is used as the final determinant, the number of FSN's that are CORE is equal to the man-years attributable to State, raised to the next whole number. It is realized that the use of workload attributable only to State implies a contradiction between the criteria established for Americans and for FSN's. However, there are a far greater number of FSN's than Americans. This, coupled with the fact that the number of FSN's that are CORE is determined by rounding upwards to the next whole number in all cases means that an essentially similar result is achieved.

To illustrate the use of work measurement data, a B&F section has 12 FSNs as follows: 1 Assistant to the B&F officer, 7 accountants, 2 cashiers and 2 typists. For CORE/DAS analysis purposes, all FSNs performing essentially similar duties are to be grouped together. In this case, the accountants, the cashiers, and the typists should be placed into three separate groups as their principal duties are different. A decision on the Assistant to the B&F officer requires an analysis of the employee's effort. In this illustration, the principal duty performed is accounting; therefore, the Assistant B&F officer should be added to group one bring it up to 8 accountants. To continue the CORE/DAS analysis of group one, work measurement data show 2.3 man-years attributable to State and 5.7 man-years to other agencies. State is rounded up to 3.0 man-years which means that 3 accountants are CORE and 5 are DAS. Normally, the three most senior accountants should be identified as CORE.

Using work measurement data, the cashiers (**group two**) and the typists (**group three**) should be analyzed in a similar way to determine if the second cashier and second typist is CORE or DAS. A final illustration on the cashiers is as follows. Work measurement data show 1.4 man-years attributable to State and 0.6 man-years to other agencies. Again, State is rounded up to 2.0 man-years; both cashiers are CORE.

The key to making sound CORE/DAS decisions, especially for FSNs is to consider like personnel (**those whose skills are interchangeable**) as a group. When a post has two or more FSNs performing the same subfunctions or a combination of identical subfunctions, and in the absence of other controlling factors described elsewhere, work measurement data will have to be analyzed to make CORE/DAS determinations. The basic documents to be used in this analysis are the Workload Factor Distribution (**FAAS-2**) and the Staffing Distribution (**FAAS-4**).

240 Direct, Special, and JAO Positions

There are several categories, or types, of positions which require particular attention and treatment:

A. DAS Direct positions are FAAS positions which are assigned full-time to the service requirements of one specific agency. Under normal conditions, such positions would be charged directly to the funds and employment ceiling of the serviced agency. When specifically authorized by the Department, and the Council, however, DAS Direct positions may be used to meet an unusual situation. In such a case, the cost of the position is not distributed by the workload count and percentage. The position is allocated to Function 7.0 direct Services on the FAAS-4, and the full cost of the position is shown in the specific agency column on the FAAS-5. Examples of such positions are a driver assigned full-time to an agency, an accountant working exclusively for one agency, or a maintenance employee whose physical location precludes him from sharing in the duties of other FAAS personnel.

B. DAS Special positions are positions which have been authorized before an adequate workload record can be established to provide an equitable distribution among the DAS agencies. DAS Special positions are fully funded by the agency which generates the requirement for the current year

(the fiscal year in which the position was established) and the succeeding fiscal year. When preparing the CORE/DAS schedules in the succeeding year, DAS Special positions should be allocated under Function 7.0 Direct Services to the funding agency, and their costs distributed 100% to the funding agency on Form FAAS-5.

C. JAO positions are positions in the FAAS organization which are encumbered by personnel detailed from another agency (i.e., the basic salaries of which are not paid from the post FAAS allotment or the Department's central American Salary allotment). They should be identified on the FBE Schedule 2 and/or 3, and the FAAS-4 as (JAO). Since detailed positions are reported for employment purposes by the funding agency, such employment will not be reported by FAAS. In addition, identification of such positions will assist the Department in the ultimate reimbursement of the funding agency in Washington (see Section 280).

250 Administration of CORE and DAS Positions

CORE positions are within the exclusive jurisdiction of the State Department. The Department may increase or decrease positions at a post, or transfer them from one post to another.

DAS positions are within the exclusive jurisdiction of the FAAS Council. Approval of the Council is required for the increase or decrease of positions at a post, or the transfer of positions from one post to another.

The term **exclusive jurisdiction** means that the Department and the Council are the final arbiters on the levels and use of FAAS staffing in their respective areas of responsibility. It should be noted, however, that the ultimate objective of FAAS is to meet the common support requirements of all agency programs by the most efficient and economic use of one combined support organization, and the reciprocal relationship of the cost sharing system requires continuing coordination and cooperation to prevent inequities from arising from the exercise of these respective responsibilities.

The CORE/DAS position designations for most posts have not been changed since the original allocation was made prior to the implementation of FAAS in FY 1977. Since that time, numerous changes have necessarily taken place in the composition and use of FAAS staffing resources to meet changing needs at the post level, and it is necessary for posts to have a degree of latitude in the application of resources to provide services where they are needed, and within authorized levels. Such authority should be exercised within the following considerations:

1. The shift of CORE positions from one subfunction to another will not affect the basic CORE/DAS percentage relationship since this calculation is based on the dollar value of the total positions in each category.
2. DAS positions, however, have been authorized to provide specific services to the supported agencies, and these agencies fund the whole costs of the DAS positions among themselves. A shift of a DAS position from one subfunction to another can have the effect of shifting the costs from one DAS agency to another.
3. The transfer of a DAS position from one subfunction of service to another, within the post's currently authorized ceiling, to meet an urgent requirement is not precluded, and is furthermore encouraged as an efficient and economic use of resources. This must, however, be carefully coordinated with the agency or agencies whose costs will increase as a result of the shift, and the agencies whose services may decrease. In effect, this situation indicates two things: (1) an increased servicing requirement in one subfunction, and (2) a decreased requirement in another which may or may not require post action in

accordance with Section 260 below. Agency representatives in the field are encouraged to review the cost and service impact of DAS position shifts among subfunctions and to bring any significant inequities resulting from such shifts to the attention of their agency representative to the FAAS Council for Washington action.

4. A requirement to move a position from CORE to DAS, or vice versa, is clearly two separate actions and may not be accomplished without the approval of the Department and the Council, since these categories are separately authorized, and are justified in accordance with Section 260.

260 Procedure for Requesting New Positions

New position requirements generally arise from two circumstances:

(1) new agencies with country programs which will require administrative support; and (2) workload increases by existing agencies.

The most important elements in the justification of new positions are the identification of the subfunctions of service to be provided, and the related workload increases which are expected or which have occurred. Posts must keep in mind that the ultimate approval of additional positions, either by the Department for CORE positions or by the FAAS Council for DAS positions, will most likely be made by persons who are not familiar with the post's individual circumstances and who will therefore be looking for factual information on which to base their decision.

Requests for new positions should be in the following format:

1. Telegraph requests should contain the following caption: FOR (**regional bureau**) ALSO FOR M/COMP AND (**agency - see below**).
2. For each position or number of like positions, indicate quantity required, American or FSN, and a descriptive title. For Americans, titles currently in use such as B&F, GSO, Assistant GSO, Administrative Officer are acceptable. For FSN's titles such as laborer, janitor, carpenter, generator mechanic, engine mechanic, plumber, travel clerk and supply clerk are needed.
3. Recommend a CORE or DAS designation for each position, consistent with the guidelines in Section 220 and 230 above.
4. For each position or group of like positions, show an estimated allocation of time by subfunction.
5. Using the most recent FAAS-2 as a base, show the current workload for each subfunction related to the requested position(s), and the actual or projected workload, on which the request is based for each agency which has generated the request. For CORE positions, use the current workload for the State Basic Program as the base. For DAS positions, use the total current workload for all DAS agencies as the base.
6. Show the annual cost for each position or group of like positions. For Americans, show the grade and base salary, hardship post differential, and allowances. For FSNs, show the base salary.
7. Indicate the agency or agencies which have generated the requirement, and the distribution of total costs by agency.
8. Indicate if DAS positions should be designated as DAS Direct or DAS Special positions, as described in Section 240.
9. Explain by narrative justification any factors which support the requirement beyond the factual information shown in 4 and 5 above.

For new programs, whether they have arrived in country or not, an estimate of new position requirements should begin with the FAAS-1 to consider the probable services which will be required, based on the anticipated strength of the agency and a review of workload data for an existing agency of similar size.

When recommending position decreases, it is sufficient to advise the Section, Position Number, and Position Title.

270 Authorization of Positions

FAAS positions are authorized to the regional bureau at the Department level by the DS-860 **Authorization for Permanent Positions and Employment**, which identifies CORE and DAS American and FSN positions. In addition, DAS American and FSN positions are authorized by country as approved by the FAAS Council.

Complement notices issued by the regional bureau to the post will identify CORE and DAS American and FSN positions, and will also identify any DAS Direct or Special positions. In addition, positions to be filled by detail from another agency will be identified.

280 Joint Administrative Offices (JAOs)

There is a need to distinguish between a joint administrative office (**spelled with small letters**), and a Joint Administrative Office (**spelled with capital letters**). The former is a descriptive term which can be, and often is, applied to any State overseas administrative organization which supports a number of U.S. Government agencies and which is jointly funded by the supported agencies under the FAAS system. The latter term refers to the administrative organization in specific countries which has been formally designated a JAO, is jointly staffed by State and AID personnel, and operates under the terms of the State/AID Agreement of June 28, 1979.

Formally designated JAO's have been in existence for many years. JAO's have been established in situations where the sudden and dramatic buildup in the foreign assistance program has created administrative support requirements which have greatly exceeded the capacity of the existing FAAS organization. In the interests of overall economies and efficiency, and to avoid setting up duplicative facilities, the FAAS staff has been augmented by AID personnel to handle the additional support requirement.

281 Interagency Agreement Between the Department of State and the Agency for International Development Governing the Establishment and Operation of Joint Administrative Services

1. Purpose

Basic Principles for Overseas Combined Administrative Support Services, 2 FAM 125, calls upon the foreign affairs agencies and other U.S. agencies to participate, where practical, in joint arrangements to provide required levels of administrative support services to their personnel assigned overseas. The FAM encourages combined servicing when criteria as to effectiveness and economy can be met and includes the further guideline that when full consolidation is not practical, cross-servicing among agencies which results in economy or improved services is encouraged. The purpose of this agreement is to set forth agreed procedures governing the establishment and operation of Joint Administrative Offices (**JAO's**) in circumstances in which full consolidation is deemed practical, effective, and economical.

2. Post Proposals for Establishing a JAO

To enable the Department and AID to evaluate the merits of proposals by

Chiefs of Missions and AID Principal Officers for the establishment of JAOs, field posts will prepare a JAO draft agreement using the guidelines furnished below:

A. The provisions of 2 FAM 125 and Department Airgram A-768 of February 15, 1977, should be followed. If a deviation is considered necessary, it should be explained and justified. A JAO shall cover only common administrative support services. AID program functions including procurement of program commodities and services and the AID Mission Controller function are excluded unless authorized by State and AID on an exceptional basis.

B. Each function and subfunction set forth in Section 160 should be identified in the draft agreement as to whether or not the JAO will provide these specific services to AID contract and PASA personnel, as well as AID direct-hire personnel. As necessary, special or limited support arrangements should be briefly explained, e.g., specific arrangements to provide support to AID employees in locations where State has no representation. A definitive statement should be included as to whether the JAO will provide the following services to AID: (1) maintenance of household furniture and equipment issued to AID occupied houses; (2) maintenance of quarters; (3) customs clearance; (4) acquisition and utilization of motor vehicles including AID special purpose vehicles; (5) accountability for and reporting of AID expendable and non-expendable property; (6) accountability for and managing of real property as indicated in Paragraph 4D.; and (7) requisitioning and/or accounting for expendable supplies.

C. If the JAO is to provide administrative support services to AID-financed personnel (**whether AID direct-hire, AID contract, or PASA employees**) outside the capital city, the type and extent of the services should be covered in sufficient detail to assure mutual understanding. If the JAO is unable to provide support to such employees, this fact should be spelled out. The post's proposal should then include the recommendation that an AID Management Officer position be established as part of the AID Staff. The duties to be performed separately and exclusively for AID by this officer as well as the interface with JAO operations should be clearly defined so as to preclude duplication of functions performed in the JAO.

D. A recommended staffing pattern for American and local positions should be submitted. Each position should be designated either as CORE or DAS. Any special staffing arrangement desired should be specified.

E. The Inter-Agency Council for Administrative Support will consider and decide upon field proposals to establish new JAOs and would be the mechanism to resolve any major policy issues emanating from this agreement.

3. Assistance and Implementation

Joint State/AID Washington Administrative Management Assistant Teams (**AMAT**) will be formed through working group initiatives to assist JAOs through TDY in the following areas:

A. Inventory training and the maintenance of inventories of non-expendable furniture and equipment to all agencies to facilitate acquisition, inventory recordkeeping, sale and utilization of proceeds from such material.

B. Post operating procedures and regulations.

C. Implementing a Merit Promotion System for local national employees of all U.S. Government agencies at the post where such a system does not

now exist.

D. Determining in the field the feasibility of establishing a JAO and, where necessary, assisting the post in the initial implementation of a Washington approved JAO.

E. Providing prompt assistance with the implementation of Section 401 of the Foreign Relations Act, FY-1979 (**employment of dependents**) particularly at those Posts where the availability of trained host country personnel is limited.

F. Providing TDY assignments to fill crucial vacancies on a timely basis.

G. Any other special problems peculiar to providing administrative services.

4. Operating Principles

A. Resources made available to the Department and **AID (and other agencies as the case may be)** will be used to support Joint Administrative Offices, and neither State nor AID will be required to supplement each other's share of positions, funds and material required to support the joint operation.

B. The governing principles of the FAAS system as set forth in Section 126 are part of this agreement. It is further agreed that where an increase in AID activities is the primary or sole cause for the need for additional U.S. and/or Foreign National personnel in a JAO, AID may detail to the JAO direct-hire Americans, Third Country Nationals, and Host Country Nationals as appropriate. State positions will be established for these personnel under FAAS procedures as DAS Special Staff. In these cases, State will initially fund the post assignment costs. The costs will include travel, housing, furnishings, and other costs related to support at Post, but exclude salary and benefit costs paid directly by AID. AID will subsequently fully reimburse State for the costs incurred during the remaining part of the current fiscal year, plus one additional full year. Thereafter, all DAS costs will be shared by all agencies at Post, except State, according to the established DAS funding procedures.

Finally, when AID's activities are reduced in scope or the program is phased out, AID may reduce its personnel contribution to the JAO in proportion to its remaining activities, upon approval of the Council.

C. Bureau level management will handle the day-to-day operational requirements which need not be referred to the Inter-Agency Council on Administrative Support. Responsibilities of these bureaus shall include, but not be limited to, the following:

1. Providing coordinated, long-range support planning.
2. Arranging timely personnel assignments to positions delineated in Paragraph 4H.
3. Determining appropriate levels and funding of vehicles and equipment for JAOs.
4. Responding to field queries and complaints on support levels, FAAS budgeting, etc.
5. Ensuring compliance with pertinent regulations, GAO guidelines, etc.

6. Developing, or reviewing proposed new JAO agreements, and approving amendments to existing agreements within the principles of this general inter-agency accord. Questions and problems that the Bureau level management cannot resolve will be submitted to a senior level officer in each agency for resolution as outlined in 2 FAM 125.8(a) who may refer the issue to the Inter-Agency Council on Administrative Support.

D. The JAO will assume AID's real property responsibilities wherever practicable per the recent State/AID agreement in principle to have a single real property manager at each Mission. The acquisition and management of residential property will be in accordance with the policies and standards set forth in Airgram 1093, dated April 5, 1979. The accounting for AID's real property will be in accordance with Handbook 19 of the AID Directives system.

E. The Department of State will continue to be responsible for the regular inspection of JAOs and the provision of reports thereon to AID. The responsibility for the audit of JAOs utilizing substantial AID resources will be shared jointly by the Inspector General of The Department of State and the Auditor General of AID within the guidelines set forth in this paragraph. On an annual or other periodic basis, as determined by the Inspector General in coordination with the Auditor General, a schedule of audits of JAOs will be prepared by the I and AG. Final approval of the schedule so prepared will rest with the Inspector General. The audit reviews so scheduled will be carried out by joint AG/I audit teams, normally with equal representation and sized to the scope of the audit task. The audit schedule will assign specific responsibility for the conduct of each audit review from preparation of plan, through execution of the audit itself to and including preparation and issuance of the report to either the I or AG or both as mutually agreed to. The report issued will be joint reports of the I and AG; be reproduced by the Department of State; and distributed within the Department of State and AID in accordance with the respective requirements and regulations of each agency. The Inspector General will oversee the compliance process for the recommendations in the audit reports in accordance with standard Department of State practices.

F. Prior to assignment to JAOs, State and AID personnel will be given appropriate consultation and/or training to familiarize them with all applicable State and AID policies, regulations and procedures.

G. To provide an appropriate level of administrative servicing for AID all factors, such as the level and complexity of the AID program and the size of the AID Mission, will be given full recognition by the Department in the job classification of all JAO American positions.

H. The Department of State through its Office of Personnel and the Agency for International Development through its Office of Personnel, and in close consultation with appropriate geographic bureaus in both agencies, will assign personnel from both the Department and AID to the Administrative Positions listed in Paragraph 7, below in accordance with the following arrangements and procedures:

1. Candidates from both the Department of State and AID will be considered for the positions listed at the appropriate time when the positions become available for reassignment. Ordinarily, this would be six to nine months in advance of the rotation date of the incumbent.

2. In anticipation of a position becoming available for reassignment, the appropriate regional bureaus of the Department and AID will consult for the purpose of arriving at a joint recommendation to their respective Offices of Personnel concerning whether a State or

AID person is to be assigned to the position. Such recommendations to the two Offices of Personnel will be supported by discussion of relevant factors bearing on the choice.

3. The Office of Personnel in the Department of State, upon receipt of the recommendations of the respective regional bureaus and, where appropriate, of the Office of Personnel of AID, will make the final assignment in accordance with existing procedures followed by the Office of Foreign Service Career Development and Assignments.

4. AID personnel selected for the positions listed or for any others which may be added in the future will be assigned under normal AID Assignment Board processes on a reimbursable detail to the Department of State.

5. Personnel presently serving in the positions listed in Section 4.H.7 below will complete the tours of duty which were previously scheduled for them unless a need for curtailment is determined by either agency in accordance with its existing procedures. Tours of duty for personnel assigned in the future to these positions will be made in accordance with the tour of duty policy in effect for the position by the Department or AID for its respective employees.

6. To facilitate orderly manpower planning on requirements and staffing for these listed positions, and also to regularize the documentation procedures by which assignments of personnel from the respective agencies are made, a joint State/AID mechanism will be developed immediately upon the signature of this agreement to permit the orderly approval of assignments.

7. The administrative positions available to qualified U.S. Direct Hire candidates of State and AID at posts where there is a JAO shall be the following:

- (a) Administrative Officer
- (b) Deputy Administrative Officer
- (c) Supervisory General Services Officer
- (d) General Services Officer
- (e) Assistant General Services Officer
- (f) Personnel Officer
- (g) Assistant Personnel Officer
- (h) Budget and Fiscal Officer

The significant portions of A-768 are as follows:

3. Governing Regulations: The regulations contained in 2 FAM 125 govern the establishment, administration, staffing and financing of overseas combined administrative services. These regulations continue to be applicable under FAAS. The only difference under the new FAAS system is that all American and FSN positions in the JAO have been authorized by State either as CORE or DAS. However, this fact does not change the staffing provisions of 2 FAM 125.6 which permits the assignment of qualified individuals to these positions without regard to parent agency. This staffing provision applies equally to existing or newly established combined servicing operations. Also, as provided in the regulations, the assignments of key individuals to these organizations will be cleared by the Washington regional management, executive or

administrative office of appropriate agencies.

4. Definition of Terms: 2 FAM 125 refers specifically to Joint Administrative Offices (**JAO's**). In the past, similar combined administrative organizations have been established under the title **Consolidated Administrative Management Organization (CAMO)**. The term **CAMO** is abolished herewith, and all combined administrative organizations will henceforth be identified as **JAO's**.

282 Funding for AID Personnel Detailed to State Positions

AID personnel detailed to JAO's can occupy either a CORE or DAS position. Such arrangements are considered to be reimbursable details. Posts will distribute DAS position costs in accordance with these FAAS procedures without regard to whether the incumbent is State or AID. Specific funding arrangements are as follows:

1. State will issue the travel orders assigning an AID employee to a State/JAO administrative position and will fund directly all assignment travel costs. State will issue the travel orders and will fund the travel costs when an AID employee is transferred from a State position at one post to a State position at another post.
2. When an AID employee is reassigned from State to AID, AID will issue the orders and fund directly all travel costs.
3. Post allowances and other operating expenses for detailed employees will be funded from the post FAAS allotment and accounted for in the same manner as for State employees. In accordance with 3 FAM 315, State officers are hereby authorized to issue the necessary allowance authorizations. To effect payment of the allowances, posts will prepare a form SF 1166, Schedule of Payments, and submit it to the appropriate Finance Center for payment.
4. State will reimburse AID at the Washington level for base pay, hardship post differential, and benefits paid directly by AID.

300 STANDARD REPORTING PROCEDURES AND APPLICATION OF WORKLOAD FACTORS

310 Introduction to the CORE/DAS Schedules

Section 300 is the heart of the FAAS system, the development of the percentages which will subsequently determine the sharing of post costs for the upcoming fiscal year between CORE and DAS, and among the supported DAS agencies. The percentages are determined by proceeding through the steps represented by each of the FAAS forms. The percentages will be based on the current year's situation on the broad premise that support requirements of all agencies remain relatively stable from the current year through the new, or financial plan year.

The forms required in this process are called the **CORE/DAS Schedules**. The basic information comes from the Department's Field Budget Estimate, Schedules 1 and 13, which are the financial plans for the Bureau and FBO FAAS allotments, and Schedules 2 and 3, which contain staff data. These schedules should be prepared first by the post before proceeding to the CORE/DAS Schedules.

Great care **must** be exercised by the posts in transferring data from one schedule to another, to ensure that amounts get on the right line and in the right column, so that the final percentages calculations are accurate.

The CORE/DAS percentages are developed by the review and preparation of the FAAS CORE/DAS Schedules as shown below, and as described in the following subsections of Section 300 of this manual. The various schedules

are as follows:

FAAS Schedule Number: FBE 1 & 13

Appendix B Section Number: ---

Title/Description: The Field Budget Estimate (**FBE**) financial plan shows the estimated funding requirements for the current fiscal year and the upcoming year. FBE-1 includes funds allotted by the Bureau and FBE-13 includes funds allotted by FBO. These schedules provide the basic information for the FAAS-6 (**prior year costs**) and the going rate estimate.

FAAS Schedule Number: FBE 2 & 3

Appendix B Section Number: ---

Title/Description: Currently authorized American and FSN positions. These schedules list the CORE and DAS American positions, and the CORE and DAS FSN positions, which are the basic data for FAAS-4.

FAAS Schedule Number: FAAS-1

Appendix B Section Number: 311

Title/Description: Post Administrative Support Agreement

The agreement with each agency which shows the services required by the agency and for which costs will be assessed.

FAAS Schedule Number: FAAS-2

Appendix B Section Number: 312

Title/Description: Workload Factor Distribution

Work count recorded during the prior year for the services listed on the post agreement. Workload percentages are applied to FAAS costs to determine each agency's percentages of total FAAS costs.

FAAS Schedule Number: FAAS-3

Appendix B Section Number: 313

Title/Description: Allocation of Positions by Sub-functions

Distribution of the time of each position to the subfunctions in which the position serves. FAAS-3 represents a **process** rather than an actual form.

FAAS Schedule Number: FAAS-4

Appendix B Section Number: 314

Title/Description: Staffing Distribution

For each position listed on FBE-2 and 3, the percentage of time spent by sub-function as determined in the FAAS-3 process. FAAS-4C should be completed for all CORE positions while the FAAS-4D is to be completed for all DAS positions.

FAAS Schedule Number: FAAS-4A

Appendix B Section Number: 315

Title/Description: CORE/DAS Ratio Computations

Calculation of the basic CORE and DAS percentages in accordance with the position costs from FAAS-4 and American personnel related costs from FAAS-6.

FAAS Schedule Number: FAAS-5

Appendix B Section Number: 316

Title/Description: DAS Personal Services Distribution

Distribution of subfunction salary costs from FAAS-4 by the workload percentages from FAAS-2 to determine the proportionate use of DAS services by each of the supported agencies.

FAAS Schedule Number: FAAS-6

Appendix B Section Number: 317

Title/Description: Other Objects Distribution

Distribution of prior year non-salary costs from FBE-1 and 13 and the workload data on FAAS-2, and other prescribed methods, to all agencies.

In reviewing the CORE/DAS Schedules prepared by the administrative section, supported agencies at the post should bear in mind that the participation percentages which result will determine the amounts to be reimbursed by the parent agency in the forthcoming fiscal year. The significant percentages are as follows:

1. The CORE/DAS Ratio for American salary costs computed on FAAS-4A. In Section 540, this is shown as the **FAAS-5 American** percentage and is used to determine the amount of basic American salary costs and American Allowances costs which will be paid by State (**CORE**), and the amounts which will be shared among the DAS agencies.
2. The CORE/DAS Ratio for FSN salary costs computed on FAAS-4A. In section 540, this is shown as the **FAAS-5 FSN** percentage and determines the amount of FSN salary costs which will be paid by State (**CORE**), and the amount which will be shared among the DAS agencies.
3. The CORE/DAS Ratio for the combined amounts of American and FSN salaries computed on FAAS-4A are used on FAAS-6 to distribute the total in the FAAS Column to State and the DAS agencies.
4. The final core percentage for Other Objects costs computed on FAAS-6. In Section 540, this is shown as the **FAAS-6 Percentage** and determines the CORE share, with the balance to be distributed among the DAS agencies.
5. The percentages for each supported agency computed on FAAS-5 and FAAS-6, which determines how the total DAS costs are shared among the agencies.

Thus, the dollar amounts which are attributed to each agency in the development of the CORE/DAS Schedules are not to be considered as amounts to be reimbursed; their importance is in their use as a basis for computation of the percentages. Equally important to the reviewing agencies is the accuracy of the workload statistics which are accumulated on the FAAS-2.

It is incumbent on the agency representatives to assure themselves that the CORE/DAS percentages have been accurately computed, since reviewing agencies in Washington consider the representative's initials as concurrence in the submission. It is equally incumbent on the post administrative section to give the agencies sufficient time for the review, and to provide necessary backup and explanation in order to answer questions and resolve issues **before** submission to Washington. Likewise, the reviewing agencies are expected to respond with concurrence or questions within a mutually acceptable timeframe.

311 Form FAAS-1 - Post Administrative Support Agreement

The first form in the system provides a method for review and agreement,

and lists each function and subfunction. (**See Exhibit 311.1.**) With the list of functions and subfunctions in hand, the administrative officer meets with the chief of the serviced agency and reviews FAAS facilities and agency requirements. Together they fill in Form FAAS-1 which becomes the basis for participation. A post agreement number is assigned, and the administrative officer and the serviced agency chief sign the agreement as provided. Any special notes on the agreement are made a part of the agreement by an attachment.

The primary purpose of FAAS-1 is to afford the opportunity to which two participants can determine and review periodically the needs and availabilities of services. The agreement stands **as is** until modified, and the administrative officer and the concerned official of each participating agency should review their agreement on an annual basis.

The secondary purpose is to record at the post-level a standing agreement for the benefit of rotating personnel. This form should serve as the **calling card** for each administrative officer in briefing an incoming chief of a serviced agency.

Form FAAS-1 is not normally needed in Washington, and should not be submitted to Washington unless specifically requested.

The functions and subfunctions listed on Form FAAS-1 and in Section 150 and those which are normally performed by the Embassy administrative organization. The subfunction numbering is a historical carryover from previous administrative support systems. Attention is called to the subfunctions marked by an asterisk (*), as follows:

2.2 Payrolling: The main functions of the payroll process are performed at the Regional Administrative Management Centers (**RAMC's**), i.e., payroll preparation and issuance of checks. The pot functions which are collateral to the process, such as the maintenance of time and attendance records, leave records, and payroll liaison, are performed as secondary functions of the Personnel and/or Budget and Fiscal Offices.

3.5 Reproduction: The advent of readily available copying equipment has eliminated this as an official subfunction. See Sections 160 and 317 for reference to contractual reproduction costs.

3.7 Building Operations - Office; and 3.8 Building Operations - Residential: The State Department is responsible for the management, operations, maintenance, and funding, of all Government-owned and Long-term leased (**GOLTL**) properties which were managed, operated maintained, and funded by the Department at the beginning of FY 1980. No costs are included in FAAS funding or distributed to serviced agencies in connection with such GOLTL properties. Costs may be assessed to the serviced agencies in connection with short-term leased properties as are proper under these procedures.

4.1 Telegraphic Traffic: Services provided by American personnel in the transmission of telegraphic traffic are a State Department Basic Program function, and the costs of such personnel are entirely excluded from the FAAS funding system. Participating agencies are charged only for such FSN personnel and operating expenses as may be properly authorized under these procedures.

4.3 Files and Records: The maintenance of central files and records for participating agencies has been eliminated as an official subfunction.

5.2 Physical Security: Services provided by American personnel in this subfunction are a State Department Basic Program function, and the costs of such personnel are entirely excluded from the FAAS funding

system.

5.3 Marine Guard Services: Services provided under the Marine Security Guard program are a State Department Basic Program function and the costs are entirely excluded from the FAAS funding system.

7.0 Direct Services: A direct service, as defined in Section 130, provided to a specific agency should be identified on Form FAAS-1.

Each one of the services listed on the Form FAAS-1 which is required by the serviced agency should be indicated by an **X** in the Participation Column. This will include services for which costs are distributed to the participants in accordance with these procedures, and services for which no costs are assessed.

312 Form FAAS-2 - Workload Factor Distribution

This form provides for capturing and reporting workload statistics for each of the standard workload factors described in Section 160 as they pertain to each serviced agency, including FAAS itself. (See **Exhibit 312.0.**)

As provided on the form, the work count for the period specified should be entered in the **Quantity** column for each agency for each workload item. Each line should be added and the total entered in column E. The form contains two percentage columns for every agency on each workload line. The first percentage column will be used to record the individual workload percentages for each agency including State and FAAS. The second percentage column will be used to record the workload percentages for each participant excluding the workload applicable to State and FAAS. The percentages in the first column are used to distribute costs on the FAAS-6 while the percentages in the second column are used to distribute costs on the FAAS-5 among the DAS agencies. For example:

Workload Factor -- Pieces of Mail Handled

Agency	Pieces of Mail	FAAS-2 Percentages	As Applied to FAAS-5
State	11,454	34.0%	-
FAAS	16,372	48.7%	-
USIA	92	.2%	1.6%
AID	5,312	15.8%	91.2%
FAS	397	1.2%	6.8%
DEA	24	.1%	.4%
Total	33,651	100.0%	100.0%

For distribution of costs on FAAS-6, the percentages from FAAS-2 will be applied without adjustment.

Percentages will be carried out to one place to the right of the decimal point (**e.g., 12.3%**). The percentage calculations should be carefully checked to see that each set of percentages adds to 100.0%.

Workload statistics will be reported for **all** serviced agencies. On occasion, services are provided for an agency in a country where the agency is not represented. The agency may be in Washington, or it may be in another country or it may be that the agency is serviced by a regional activity such as a DAS doctor or nurse, or a regional budget and fiscal service. All agencies should be listed on the FAAS-2 and the workload entered for each appropriate subfunction.

It is extremely important that each agency work count and distribution

percentage be accurately determined and reported. The primary use of the FAAS-2 is to develop percentages for application to the personal services costs on the form FAAS-5, and to other objects costs on the form FAAS-6.

Each unit head will be responsible for maintaining the required workload statistics and the timely submission of such data to the budget and fiscal office. The consulates and other constituent posts will likewise be responsible for maintaining and reporting such data for their posts to the embassy budget and fiscal office. The budget and fiscal office of the embassy will consolidate these workload statistics for the embassy and constituent posts into one Form FAAS-2 for the country for submission to Washington.

The completed FAAS-2 will be submitted to each serviced agency representative (**for those agencies present at post**) with sufficient time for their review of data. The agency representative's initials at the bottom of the FAAS-2 indicate acceptance of the workload generated by the agency and its proportion to the total workload.

313 Allocation of Positions to Subfunctions

Form FAAS-3, List of Duties Performed, is no longer required. Instead, the Budget and Fiscal Officer in conjunction with Unit and Section Supervisors will distribute the time of each position, both **CORE and DAS**, to the appropriate subfunctions on the Form FAAS-4.

The distribution of time for each of the CORE positions is required to assist the Department and the Council in the periodic review of the CORE/DAS relationship, and in the review and determination of post requirements for increases and decreases of FAAS positions.

In many instances, the duties of an individual position will fall within a single subfunction. In those cases, however, where the duties of the position cover several subfunctions, the allocation of each position to the pertinent subfunctions should reflect the best judgment as to how the time of the incumbent is **normally** spent on the various duties of the position, and extraordinary diversions to other duties caused by a temporary situation should be discounted.

In the case of DAS positions, it is particularly important to review the current year allocation of time against the previous year's. DAS positions are authorized by the FAAS Council for specific purposes and the anticipation that the costs will be shared among the DAS agencies in accordance with the workload that relates to the subfunction for which it was authorized. DAS positions may not be shifted to a new subfunction where the cost distribution will change significantly without prior approval by the Council.

Where the time of a position is allocated to more than one subfunction, the total of the percentages must equal 100%.

There are three types of DAS positions, as follows:

- a. **DAS Regular** positions are fully shared by all DAS agencies at the post in accordance with the workload factors.
- b. **DAS Direct** positions are those which a specific agency has agreed to fund indefinitely, and the incumbent work full-time for that agency.
- c. **DAS Special** positions are those which have been added to the post's complement for, or in anticipation of, an agency buildup of significant size before an adequate indication of the workload can be developed. The agency responsible for the buildup has agreed to fund the full cost of the DAS Special position for the year in which the position is

authorized and the next full year. DAS Special positions which are not withdrawn at the end of the succeeding full year, become DAS Regular positions and the costs are shared by all DAS agencies in accordance with the workload statistics.

Most posts have one or more DAS driver position which provide either direct or indirect servicing to the DAS agencies. Direct service means the transportation of agency personnel or materials where the quantity of usage can be clearly identified with an agency the Workload Factor J, **Miles Driven**. Indirect service consists of the use of motor pool drivers and vehicles for the benefit of all agencies merely because they are present at the post, such as the pickup and delivery of mail and pouches and supplies, trips to customs clearance points and banking facilities, security investigations, property maintenance, etc. Where DAS drivers are used for **direct** service, the position's time should be shown on the FAAS-4 under subfunction 3.1 and the costs distributed on Form FAAS-5 by Workload Factor J, **Miles Driven**. Where the use is for **indirect** servicing, the time should be shown on FAAS-4 under subfunction 3.1 and the costs distributed on FAAS-5 by Workload Factor C, **Americans Served**.

Positions engaged in the operation and maintenance of government-owned and long-term leased buildings (**referred to herein as BOE/GOLTL positions**), are no longer included in the calculations of FAAS costs. Such positions, the related position costs, and other operating costs, are funded from the Department's program allotments, and, as stated above, are not considered in the distribution of FAAS costs to State and other agencies. The mechanics of identifying the BOE/GOLTL positions has been based on the intent that BOE/GOLTL positions will henceforth (**beginning in FY 1984**) be **excluded** from FAAS staffing complements, and conversely, FAAS staffing will **include only** operation and maintenance positions **related to short-term leased (STL) properties**.

In posts that have **only GOLTL** properties, or **only STL** properties, the task of complying with the basic intent is relatively simple. In most posts, however, where there is a mixture of both GOLTL and STL properties the process of separating the operation and maintenance positions has required the application of an element of judgment to consider two real situations:

1. Positions were identified in terms of **whole positions** in order to meet the requirements for the administration of staffing complements, i.e., not less than a whole position could be transferred from one complement to another.
2. In the actual day-to-day operating situation, employees (**who occupy the positions**) must be assigned to the tasks which need doing, rather than being restricted by the administrative limitations which place them in one slot or another.

In view of these situations, therefore, it is assumed that any CORE or DAS positions remain in the FAAS complement are those in which the major portion of their time is required for the operation and maintenance of STL properties, and the allocation of the time of such positions to FAAS subfunctions will ignore the time spent on GOLTL. Should changing circumstances indicate that the major portion of the time of a FAAS position is being devoted to GOLTL **on a continuing basis**, as opposed to a short-term need, the post should request the transfer of the position from FAAS to Program.

314 Form FAAS-4 - Staffing Distribution

The FAAS-4 calculation is done in three parts: (1) the basic information is taken from the Field Budget Estimate (**FBE**) Schedule 2 (**Currently Authorized American Positions - Exhibit 314.1**), and Schedule 3

(Currently Authorized FSN Positions -- Exhibit 314.2); (2) Form FAAS-4 which distributes the basic cost of the positions to the subfunctions in which they serve; and (3) the Form FAAS-4A CORE/DAS percentage computations.

The FAAS-4 is concerned only with FAAS positions, therefore the basic data should be taken from the FBE Schedules 2 and 3 which report only FAAS positions. Copies of Schedules 2 and 3 should be submitted with the CORE/DAS Schedule submission to facilitate reproduction and distribution to the participating agencies.

The FAAS-4 Percentage Distribution of Employees Time by Subfunction is to be completed for all FAAS positions, CORE American and FSN and DAS American and FSN, in accordance with the guidelines in Section 313.

CORE and DAS positions shown on the FAAS-4 must agree with the authorization issued by the Regional Bureau. Vacant positions will be shown at Step One of the assigned grade.

Form FAAS-4 is composed of two parts: the FAAS-4C Exhibit 314.3 relates to all CORE employees and the FAAS-4D Exhibit 314.4 to all DAS employees.

Form FAAS-4 should be completed as follows:

a. For each FAAS position, enter in Column A the Organization Unit (**PER, B&F, GSO, COMM, SY, MGT**), the Position Number in Column B, and the Position Title in Column C.

b. Positions are to be listed in the following order:

1. CORE Americans
2. CORE FSN's
3. DAS Americans
4. DAS FSN's

c. For American positions, enter in Column D the total amount of Columns G through P of FBE Schedule 2.

d. For FSN positions: enter in Column E the total amount of Columns F through L of FBE Schedule 3.

e. For each position: both CORE and DAS, show the percentage of time spent on the various subfunctions in the columns on FAAS-4 headed Percentage of Employees Time by Subfunction. Percentages are to be spread in accordance with the guidelines shown in Section 313. The percentage on each line will add to 100%.

f. DAS Direct positions will be distributed to the agencies which fund them under Subfunctions 7.1 through 7.5, using a separate subfunction for each agency. No CORE or DAS positions will be shown under the Direct Services Subfunctions for the State Basic Program. DAS Special Positions will be treated as DAS Direct positions only if such **special** positions were authorized during the first six months of the current fiscal year, i.e., before preparation of the FAAS estimate for the new fiscal year.

g. Subtotal the CORE costs in Columns D and E. Subtotal the DAS costs. Total the CORE and DAS in each column to determine the total FAAS-4 costs.

The purpose of the FAAS-4A is to determine the percentages by which the estimated costs in the new fiscal year will be shared between State (**CORE**) and the participating agencies (**DAS**). The percentages developed in this process will be applied subsequently as follows:

- a. The percentage from Line 3 of the FAAS-4A will be applied to the American Salary costs attributed to the post, and to the American Allowances included in the post going rate and increase-decrease requests.
- b. The percentage from Line 4 will be applied to FSN Salary costs.
- c. The percentage from Line 5 will be applied to the undistributed costs in the FAAS Column (**Column G**) of the Form FAAS-6 to distribute the Post Other Objects costs between CORE and DAS (**See Section 317**).
- d. Note: The percentages for distribution of the DAS costs **among** the participating agencies will be developed by the Form FAAS-5 (**Section 316**) and the Form FAAS-6 (**Section 317**).

An important feature in the development of the CORE/DAS ratio is the addition of selected Other Objects to the Salary costs in the calculation of percentages. These costs, identified on the Form FAAS-6 (**Column F**) as **Transfer to FAAS-4A**, are costs which can be related specifically to the FAAS American staff personnel as much as the salaries can be. Essentially, these costs cover official personal travel and housing of the American staff, both of which can be relatively significant in terms of magnitude and which, therefore, should impact on the distribution of percentages between CORE and DAS.

Form FAAS-4A will be completed as follows:

- a. Line 1: Enter American Position Costs for CORE and DAS from Column D of the Form FAAS-4.
- b. Line 2: Enter the total for Other American Personnel Related Costs from the Form FAAS-6, Column F, Line 71. Distribute the total to CORE and DAS in accordance with the number of FAAS Americans in each category. For example: if there are 8 CORE and 2 DAS Americans at post, the costs would be distributed 80% to CORE and 20% to DAS.
- c. Line 3: The total of Lines 1 and 2.
- d. Line 4: Enter FSN Position Costs from Column E of FAAS-4.
- e. Line 5: Total of Lines 3 and 4.
- f. Determine the percentages for Lines 3, 4, and 5. Percentages should be carried out to one place to the right of the decimal (**e.g., 12.3%**).

316 Form FAAS-5 - DAS Personal Services Distribution

The purpose of the Form FAAS-5 is to determine the percentages by which the DAS costs will be distributed among the participating DAS agencies. The Form FAAS-5 combines information from Form FAAS-2 and FAAS-4 to show the cost of each subfunction performed by DAS employees and the distribution of these costs among the participating DAS agencies.

Separate Forms FAAS-5 are required for DAS American position costs and for DAS FSN position costs, except that as indicated on the attached Exhibit **316.1** American and FSN costs can be shown separately on one form if space permits.

Form FAAS-5 will be prepared as follows:

a. Before filling in Columns D and E of FAAS-5, it will be necessary to spread the American Salary and FSN Salary costs for each DAS position listed on FAAS-4 for each subfunction under Column E of FAAS-4. A separate worksheet is required for this purpose. On form FAAS-5 list the subfunction number in Column A, the subfunction title in Column B, the workload distribution factor in Column C, and the subfunction cost in Column D, or Column E.

b. Note that the FAAS-5 is prepared only for DAS positions and for subfunctions in which DAS positions are providing service to the participating agencies. The FAAS-5 is **not prepared for CORE positions** and it is not necessary to calculate the costs for CORE subfunctions.

c. From the prescribed list of workload factors (**paragraph g below**) enter the appropriate letter for each of the subfunctions in Column C.

d. By reference to workload percentages reported on FAAS-2, for DAS agencies only (**second percentage column**), distribute the costs shown on the FAAS-5 for each subfunction to each participating agency and enter these amounts in the appropriate agency column.

e. Total the amounts in each column and determine the percentage distribution of total American position costs for all participating DAS agencies. Likewise, total the columns and determine the percentage distribution for total FSN positions. Add the total amounts together for American and FSN position costs, and determine the percentage distribution for the combined total for all DAS agencies. Check the percentages to make sure they all add up to 100%.

f. Agency initials on the bottom of the form signify acceptance of the percentage distribution.

g. The workload factors on the Form FAAS-2 will be applied as shown below in distributing DAS Personal Service costs on Form FAAS-5:

	Subfunction	Workload Factor	Factor Letter
1.1	American Personnel Management	American Services	A
1.2	FSN Personnel Management	FSN's Serviced	B
1.3	Welfare and Health Services	American Permanent and Contract Americans	C
1.4	Travel Services	Number of Travelers	E
2.1	Accounts and Records	Number of Obligations Established	F
2.3	Vouchering	Vouchers Processed	G
2.4	Cashier and D.O. Operations	Payments and Accommodation Exchanges	H
2.5	Budgeting and Financial Planning	Obligation Established	F

3.1	Motor Pool Operations	Miles Driven or American Permanent Positions and Contract Americans	J & C
3.2	Vehicle Maintenance (non-pooled)	Hours Maintained	K
3.3	Administrative Supply	Dollar Value of Supplies Issued	L
3.4	Procurement	Purchase Orders Issued, Bids Received, Contracts Awarded	M
3.6	Shipments and Customs	Shipments Sent and Received	O
3.7	Building Operations Office (STL)	Office Sq. Ft. Occupied	P-1
3.8	Building Operations - Residential (STL)	Residential Sq. Ft. Occupied	Q-1
4.2	Pouching	Weight of Pouches	S
4.4	Mail and Messenger Services	Pieces of Mail	T
4.5	Reception and Switchboard	Number of Telephones	U
5.1	Personnel Investigations	Number of Investigations	V
5.4	Watchmen Services	Hours of Watchmen Service	X
6.0	Management Services	American Permanent Positions and Contract Americans	C
7.0	Direct Services	No factor - appropriate costs entered in agency columns on FAAS-5	ACT

The post should not deviate from the prescribed application of workload factors as set forth above. The **one** exception to this concerns the application of Factors A and B to Subfunctions 1.1 and 1.2. When an agency receives only one service included under each of these subfunctions and the application of the workload factor would produce gross inequities, the administrative officer may make necessary adjustments in the quantities shown for Factor A and/or B on the FAAS-2 to achieve a more equitable distribution of the workload. Such adjustments should be explained by footnote on the FAAS-5.

317 Form FAAS-6 - Other Objects Distribution

The purpose of the Form FAAS-6 (**Exhibit 317.1**) is to arrive at a percentage for each agency's participation in the non-personal services costs of FAAS. The percentage will be applied to the going rate and increase-decrease requests by which the actual reimbursements for each agency will be determined. As with the Form FAAS-5, DAS personal services

distribution, the final dollar totals on the Form FAAS-6 will not represent amounts to be reimbursed by each agency, but will be used only to calculate the percentages.

The sub-object numbers and titles follow the general scheme of accounts patterns shown in 4 FAM Appendix A, Account Structure and Classification Codes. This pattern is used by all posts in maintaining ledgers and reporting obligations and liquidations.

In preparing the FAAS-6, follow these steps:

a. The amounts to be entered in Column E of the FAAS-6 are taken from the estimated prior year obligations reported in Column B, Schedules 1 and 13 for the FAAS allotment of the Field Budget Estimates (**FBE**). (**Note: Schedules 1 and 13 of the FBE will be submitted as the FAAS going rate and initial increase/decrease estimates. See Section 400.**)

b. The sub-object class listing in Column C of the FAAS-6 should correspond to the listing in Column A of the FBE. Any line items which the post may have added to the FBE should in turn be added to the FAAS-6 on the available blank lines so that the listing on the schedules is identical. In addition, some sub-objects require a breakdown on the FAAS-6 of residential and non-residential costs because of the different distribution factors involved.

c. The FAAS-6 combines the sub-object classes for the Bureau allotment and the FBO allotment. This is done in order to calculate a single percentage for distribution of the other objects costs. The single percentage preserves the relative shares of all agencies which existed before the separation of funding between the Bureaus and FBO.

d. Listed below are the factors by which the costs will be distributed to the various columns on the FAAS-6. The following guidelines are pertinent:

(1) Where the factor identification is shown as **FAAS-4A**, the amount from Column E is to be entered only in Column F.

(2) Where the factor is shown as **FAAS**, the amount is to be entered only in Column G.

(3) Where the factor is one of the alphabet factors from the FAAS-2, the amount is to be distributed to FAAS, State, and each of the DAS agencies by the total percentage from the first percentage column of the FAAS-2.

(4) The prescribed distribution factors, as shown here and as preprinted on the FAAS-6 form are to be used to the maximum extent possible. It is recognized, however, that the application of a rigid requirement on a world-wide basis may result in an inequitable distribution of costs in some situations, and that the post must have some latitude to change the factor if local conditions require it. Any changes in the factors should be concurred in by all the agencies at the post. The change will be clearly marked and an explanation for the change will be included on or attached to the FAAS-6.

(5) In instances where a sub-object class includes a variety of items for different purposes (**e.g., 2372 - STL rents, or 2589 - other contractual services NOC**), it may be appropriate for the post to apply more than one workload factor to distribute the costs. For example, if **rents** includes both housing for FAAS personnel and transient quarters for all agency personnel, the

FAAS rents should be charged to the FAAS-4A Column, and the transient quarters to all agencies on the basis of actual use in the prior year. The distribution of this sub-object class may be explained to the agencies by post by a supporting worksheet, and the FAAS-6 factor shown as **ACT (actual)**. Individual contracts exceeding \$10,000 in value should be shown as separate line items and distributed by an appropriate workload factor.

(6) The prescribed FAAS-6 Distribution Factors are as follows:

Sub-object Class	Sub-object Title	Distribution Factor
2153	Conference Travel	FAAS
2155	Post-to-Post Detail Travel	FAAS
2156	Field Travel NOC	FAAS
2157	Medical Travel	FAAS-4A
2158	Special Personnel Travel	FAAS-4A
2159	Security Travel	State
2161	Rest and Recuperation Travel	FAAS-4A
2162	Education Travel	FAAS-4A
2163	Other Travel NOC	FAAS
2164	Family visitation Travel	FAAS-4A
2165	Emergency Visitation Travel	FAAS-4A
2169	Travel Children Sep.	FAAS-4A
2201	Trans Govt. Property	FAAS
2202	Trans Other Property	FAAS
2221	Trans Govt. Vehicles	FAAS
2222	Unaccompanied Pouch	S

Bulk material shipped by any agency in quantities which constitute full pouches which can be separately priced, should be charged directly to the funds of the shipping agency.

2223	Freight and local haul of furnishings and equipment	FAAS
2224	Freight on household furniture and equipment	FAAS-4A
2261	Freight Bldg. O&M Sup (Res)	FAAS-4A
2261	Freight Bldg. O&M Sup (Non-Res)	P
23XX	Other rental costs	FAAS
2321	Telephone Equip. inst. & serv.	U
2322	Telephone Tolls	FAAS
2323	Leased telephone lines	FAAS
2329	Other Tele. Commun. NOC	FAAS
2332	Leased facilities	FAAS
2335	Field Rly Comtoll Msg.	FAAS
2336	Field Rly Telex Msg.	FAAS
2341	Postage	FAAS
2360	Utilities STL Bldgs residential	FAAS-4A
2360	Utilities STL Bldgs non-residential	P-2
2371	Office Equipment Rental	FAAS
2372	Real Property rental residential	FAAS-4A
2372	Real Property rental non-residential	P-2
2373	ADP Equipment Rental	State
2374	Mini-computer Rental	State
2375	Word Processor Rental	State
2379	Misc. Rental NOC	FAAS
2413	Printed ADP Supplies	FAAS
2450	Misc. Prnt NOC	FAAS
2511	M&R STL Bldgs residential	FAAS-4A
2511	M&R STL Bldgs non-residential	P

2520	M&R Motor Vehicles - R/M	K
2552	Facility operations STL Bldgs residential	FAAS-4A
2552	Facility operations STL Bldgs non-residential	P-2
2553	ADP Oper/Keypunch	FAAS
2561	Medical Services	C
2562	Medical contr immuniz/M.D. exam	C
2565	Contr trans/inter services	FAAS
2569	Other contr pers NOC	FAAS
2585	Office Machine Maintenance	FAAS
2586	Repr/Maint Equip	FAAS
2589	Other contractual services NOC	FAAS
2593	ADP Site Prep Oth	State
2596	Contr Security Services	X

The designation of workload factor X assumes the contractual security services provides watchmen services for all agencies represented in the workload factor. Contracts for other purposes should be distributed by a more appropriate factor. Contracts funded under the Department's anti-terrorism program should not be charged to FAAS at all but to the Post Program allotment.

2598	ADPE Maint.	State
25XX	RAMC Services	FAAS

Billings for service to the State Basic Program, other State elements, or DAS agencies should be charged directly to the appropriate allotment.

2611	Automotive fuels and lubricants	J
2611	Automotive fuels and lubricants	C

See Section 212 for guidelines on the proper application of Factor J (**Miles Driven**) and/or Factor C (**Americans Served**).

2612	Automotive parts and supplies	J
2612	Automotive parts and supplies	C
2621	Reference material	FAAS
2622	Office supplies	L
2623	ADP Suppl	L
2630	Print/Reprod Suppl	FAAS
2640	Medical supplies	C
2650	Building supplies STL residential	FAAS-4A
2650	Building supplies STL non-residential	P-2
2660	Special Clothing	FAAS
2670	Commun Suppl	State
2693	Security Supplies	State
2699	Miscellaneous supplies NOC	FAAS
3121	Office Machines	FAAS
3122	Office Furnishings	FAAS
3123	Household furnishings	FAAS-4A
3131	Reproduction equipment	FAAS
3136	Security Equip	State
3137	Books & Maps	FAAS
3138	Telephone Equip	U
3139	Medical Equip	C
3140	Misc. equip NOC	FAAS
3151	ADP equipment purchase	State
3153	ADP Software Pack	State
3154	Equip/ADP Site	State
3156	Mini-computer Purchase	State

3157	Word Proc Purchase	State
3160	Commun Equip	State
4100	Grants, Subsidies, and Contributions	FAAS
4200	Insurance Claims & Indemnities	FAAS

e. Calculation of the final FAAS-6 participating percentages is done in accordance with the following instructions for each line number:

Line 149 Total all other object amounts for each column

Line 151 Subtract the total for **Transfer to FAAS-4A** from Columns E and F. This results in a zero balance for Column F.

Line 152 Apply the CORE percentage from the form FAAS-4A, Line 5, to the FAAS Total in Column G, Line 149, and enter a minus amount in Column G and a plus amount in Column H, State Basic Program.

Line 154 Enter the DAS percentages for each DAS Agency from FAAS-5. These percentages will total to 100%.

Line 154 In Column G, FAAS, subtract the state share on Line 152 from the total on Line 149, and enter the remainder of Column G (**total less CORE share as a minus amount in Column G, and distribute as a plus amount to each DAS agency in accordance with the DAS percentages on Line 153.**

Line 155 Total all columns. This will result in zero balances for Columns F and G.

Line 156 Calculate the percentage of Column H, Line 155, State Basic Program, of the total in Column E, Line 155. This is the CORE Other Objects percentage.

Line 160 Calculate the percentage for each DAS Agency of the **difference** between the total in Column E and the CORE share in Column H. These are the DAS Agency percentages and will total to 100%. Both CORE and DAS percentages should be calculated to one place to the right of the decimal (**e.g., 00.0%**).

Country: **Shangri-La**
Date: **April 1, 1901**

FAAS-1

POST ADMINISTRATIVE SUPPORT AGREEMENT

In keeping with the intent of the basic system of Foreign Affairs Administrative support at overseas posts, the serviced agency ICA requests, and the servicing agency, the Administrative staff of the Department of State, agrees to provide the following administrative services:

Function and Subfunction	Participation
1. Personnel Services	
1.1 American Personnel Management	X
1.2 FSN Personnel Management	X
1.3 Welfare and Health Services	X
1.4 Travel Services	X
2. Budget and Fiscal Services	
2.1 Accounts and Records	X
2.2 Payrolling*	-
2.3 Vouchering	X
2.4 Cashier and Disbursing	X
2.5 Budget and Financial Planning	X
3. General Services	
3.1 Pooled Vehicle Operations	X
3.2 Maintenance of Non-Pooled Vehicles	X
3.3 Administrative Supply	X
3.4 Procurement	X
3.5 Reproduction*	-
3.6 Shipment and Customs	X
3.7 Building Operations - Office*	X
3.8 Building Operations - Residential*	X
3.9 Leasing	X
4. Communication Services	
4.1 Telegraphic Traffic*	X
4.2 Pouching	X
4.3 Files and Records*	-
4.4 Mail and Messenger Services	X
4.5 Reception and Switchboard Services	X
5. Security Services	
5.1 Personnel Investigations	X
5.2 Physical Security*	X
5.3 Marine Guard Services*	X
5.4 Watchmen Services	-
6. Management Services	X
7. Direct Services*	

* See instructions for the preparation of Form FAAS-1

Each subfunction required by the serviced agency is indicated by an **X** in the Participation Column. It is understood that those costs which are proper to be charged to all serviced agencies under these procedures will be shared among the serviced agencies in relation to each agency's workload impact on the separate subfunction. Further, that the provision of services indicated will be accomplished by the servicing agency, within available resources, to meet the standards required by the program of the serviced agency. This agreement may be modified at any time by mutual negotiation and execution of a new or amended form FAAS-1, but with due regard for the lead time required for staffing changes.

Effective Date: 4/1/01

For the Servicing Agency: John E. Smith

For the Serviced Agency: Peter O.Jones

400 POST FAAS ESTIMATES AND FINANCIAL PLANS

401 Introduction

This section sets forth procedures to be followed in the preparation of Field Budget Estimate Schedules 1 - FAAS (**S&E Funds Allotted by the Regional Bureau**) and 13 - FAAS (**S&E Funds Allotted by FBO**), the accompanying Narrative Schedules 1-A and 13-A and the FAAS mid-year financial plan. The section describes the makeup of the Post FAAS Estimate which will be distributed to the supported agencies in Washington, it describes the method of post calculations, and includes examples of typical problems in the preparation of these documents.

The Department's Field Budget Estimates (**FBE**) for the upcoming fiscal year will be used by the agencies in Washington for initial planning purposes. This is the financial plan that the post prepares in the spring as a projection of funding requirements for the new fiscal year beginning October 1. Therefore, it will not be necessary to prepare the traditional FAAS Going Rate estimate.

The FBE schedules (**enumerated below in Section 405**) will be distributed to the appropriate agencies in Washington and will be the basis for the determination of initial post funding levels. For this purpose, the posts will attach the specified FBE schedules to a separate Airgram transmittal (**see Exhibit 405.1**) so that these particular FBE schedules can be automatically distributed to all interested FAAS participating agencies in Washington.

To determine the distribution of FAAS funding between CORE and DAS, and among the DAS agencies, the post will also submit the CORE/DAS Schedules (**Section 300**) which contain the appropriate distribution percentages, in accordance with the submission dates shown in Section 170.

At this point in the financial planning process, the posts will prepare a full-fledged FAAS financial plan estimate for the current operating fiscal year. This FAAS financial plan estimate will be calculated anew from the base of actual obligations for the prior fiscal year, will include actual obligations for the first six months of the current year, and six months of projected obligations through September 30. The FAAS financial plan estimate will serve to update the projected funding requirements prepared as FBE Schedules 1 and 13 in the previous spring. It will be calculated from the realistic base of the prior year final allotment and obligations, will include actual funding experience for half of the current fiscal year, and narrow the scope of projected costs for the balance of the fiscal year. The FAAS financial plan estimate will be used to conclude final reimbursement agreements with the DAS agencies and final funding availabilities for the overseas posts. In conclusion, the estimated funding requirements for the balance of the current fiscal year will become the base for Column B of FBE Schedules 1 and 13 for the next succeeding fiscal year.

The FAAS financial plan estimate will be submitted according to the format prescribed in Exhibit 404.1 and the Narrative Justification will follow the format and sequence set forth in Section 404.

The sequence of preparation of the FAAS estimate requirements is as follows:

1. The CORE/DAS Schedules.
2. The current year mid-year financial plan estimates.
3. FBE Financial Plans for the New Fiscal Year.

402 Purpose and Objectives of the FAAS Financial Plan

The **Going-Rate** portion of FAAS financial plan is the extension of current year level of operations, in financial terms, into the coming year at the same level of activity. It assumes neither augmentation nor curtailment in next year's operations, and it becomes the benchmark by which new plans for increased or decreased activities can be measured. For financial planning in administrative support, the going rate is the funding basis for initial reimbursement from participating agencies. It may be adjusted (**either upward or downward**) during the year on the basis of increase-decrease estimates.

The objectives of the going-rate phase of FAAS financial planning are:

- a. To provide a manageable and understandable base for the funding of major administrative support costs at both post and Washington level.
- b. To simplify reimbursement negotiations by recognizing the bulk of administrative costs as stable and continuing expenses, leaving to discussion and evaluation those remaining cost factors affected by changes in servicing levels.
- c. To improve financial planning, particularly at post level, through the early funding and allotment of a workable base from which the post may project its activities and plans.

The going-rate portion of the FAAS financial plan is a listing of funds needed to continue at the same level in the coming year those operations that it has been conducting in the prior year. It is, in effect, an extension of the post obligation rate, starting from its current annual estimate, then deducting those expenses of the prior year that will not recur in the coming year, and then adding those expenses of the coming year above and beyond what was obligated in the prior year but **required** in order to continue those prior year activities throughout the coming year. Going rate, therefore, is the cost of continuing your authorized staff and service operations at their present levels throughout the coming fiscal year, using the current rate of exchange. Make certain that a full and complete explanation of changes is incorporated in the going-rate estimate.

An increase-decrease request is the proposed adjustment of a post's going rate to meet (1) changes in funds required by uncontrollable or unforeseen demands, (2) additional funds desired for better servicing or for activities previously curtailed or postponed for lack of funds, (3) new activities deemed worthwhile, or (4) special activities not required but yet beneficial if funds are available. For financial planning in administrative support, an increase-decrease request is the basis for additional funding above and beyond the going rate (**or a reduction therein**) when participating agencies agree that an unforeseen or a previously uncertain change in administrative support expenses becomes mandatory, desirable, or beneficial.

Increases and decreases which are for discretionary improvements, or which are related to anticipated changes in support levels in the new fiscal year, are not normally part of the **going rate** calculation, and in the FAAS funding process are usually submitted as a separate and distinct submission. Such increases and decreases are included here, however, to meet Departmental requirements for a complete financial plan for the new fiscal year and to eliminate the requirement for separate and duplicative FAAS submissions. For this purpose, it will be understood that references to the **going rate** will also include discretionary and other increases and decreases in post funding requirements.

403 FBE Schedules 1 and 13 - The Initial FAAS Estimate

This section covers the preparation of FBE 1 and 13, Columns B through J. The going rate calculation will consist of five parts:

- a. Your current year annual estimate for FAAS expenses.
- b. Deduction of non-recurring costs.
- c. Addition of annualized costs (**FBE 1 and 13 ask for this category of adjustment to be shown in separate columns for Wage Revisions/Price Increases, and All Other types of increases**).
- d. Addition of mandatory increases (**FBE 1 and 13 like-wise ask for the distinction between Wage Revisions/Price Increases and All other increases**).
- e. Addition of discretionary increases, and increases and decreases related to program changes in the financial plan year.

Column B - Estimated FY 19XX (Current Year) Obligations

Amounts in this column are the base for the going rate calculation for the upcoming fiscal year. Working from the actual obligations recorded for the prior year and the first six months of this fiscal year, posts should project their FAAS requirements through September 30 and enter these amounts in Column B. (**Note: as shown in Section 370, the amounts in Column B are used for the preparation of Form FAAS-6 Other Objects Distribution.**)

Column C - Non-Recurring Obligations

a. General Instructions

Itemize and deduct all non-recurring expenses of the prior year. Do not confuse non-recurring items with items of a continuing service level. For example, you may have worked out an equipment replacement program that replaced three typewriters the prior year and will replace two adding machines next year, and so on for a decade. If this is actually a continuing replacement program at an almost set level, the cost is part of your operating allowance base and there is no need to deduct the cost of the typewriters and then add the cost of the adding machines. If, however, this was a one-time purchase to increase the number of typewriters, then deduct as a one-time, non-recurring expense. Items of less than \$50 may be omitted.

b. Examples of Non-recurring Expenses

This list indicates some of the one-time expense items you should look for in reviewing your prior year obligations. The list is not all-inclusive, but should suggest the major items that would be deducted.

- (1) Salaries paid FSN employees who have left and were not replaced due to the abolishment of the position.
- (2) Allowances paid to Americans who have left and were not replaced, due to the abolishment of the position.
- (3) Overtime paid for a special conference not scheduled for the next year.
- (4) Rents paid for property that was given up during the prior year (**and utilities, of course**).
- (5) Advance rents paid for property in the past year for which no

payment will be required in the coming year.

(6) Allowances paid in excess of current allowance authorizations resulting from allowance reductions at some point in the prior year.

(7) Contract payments for employees transferred during the prior year to regular employment.

(8) Telephone tools to a subpost closed during the prior year.

(9) One-time purchase of **special** equipment, furniture, machines, etc.

(10) One-time installation charges for service facilities, such as new telephone exchange, gasoline storage tanks, etc.

(11) Expenses incurred to establish a **new** position, such as temporary lodging, shipping, furnishings, etc.

(12) Payments in connection with services discontinued during prior year, such as janitorial contract for a building given up.

(13) One-time repairs to short-term leased property.

(14) One-time replenishment of stock levels consumed during prior year by special project, such as regional conference or emergency supply to new post.

(15) Net savings resulting from a devaluation of local currency.

(16) That amount of allotment obligated prior to withdrawal of one or more serviced agencies that would not have been required if the program had been withdrawn October 1 rather than later in the year.

Columns D-E-F - Annualization

a. General

Annualization is the calculation of all significant additional costs which must be met to fund for the full coming year those activities started or only partially funded in the prior year. For each such item, add only that part of a full year's cost that was not incurred in the prior year. For example, if you leased a new residential unit in February of the prior year on a monthly basis, your current allotment includes funds for only 7 months' rent; you will need an increase to cover 5 additional months in the coming year. If on the other hand, you paid a full year's rent in advance, your operating allowance automatically includes the funds for another year's rent payable next February and no annualization is necessary. As a second example, a new FSN position established in, say, January of the prior year drew only 9 months' salary from your current allotment; annualization would then require 3 additional months for the coming year. Annualization is therefore the full year costs of a continuing activity **less** whatever part of a full year's costs you may have paid in the prior year. Items less than \$50 may be omitted. Each item listed should be self-explanatory. If the item is difficult to explain in a few lines, attach an additional supporting statement, with Schedules 1-A and 13-A.

b. Examples of Annualized Costs

This list indicates the type of costs that may require annualization. It is not all-inclusive but should suggest the major items that would require additional funds in your operating allowance.

- (1) Allowances for a new American position established and filled in the prior year.
- (2) Education, housing and other post allowance increases authorized during prior year.
- (3) Rents for new residences, offices, or warehouses initiated during the prior year on monthly rental basis.
- (4) Utilities for item 3.
- (5) New TDY per diem increases authorized during the prior year.
- (6) New FSN positions authorized and filled during the prior year.
- (7) Promotions resulting from position reclassifications for FSN employees during the prior year.
- (8) Within-grade increases for FSN employees authorized and partly paid during the prior year.
- (9) Civil Service retirement or other contributions for FSN employees initiated during the prior year.
- (10) New FSN wage scale instituted during the prior year.
- (11) New utility or telephone rate increases effected by local companies or government during the prior year.
- (12) Restoration of savings from vacancies in the prior year.

Remember: Annualization is the full-year cost of any of the examples above **less** what you paid for them in the prior year.

Include in **Column D - Wage Revisions** annualization costs related to FSN wage scale revisions which were, or are to be, implemented in the current year. This category of increase will include Object Class 1100, and sub-objects 1223, 1227, and 1228.

Include in **Column E - Price Increases** annualization costs of price increases which were, or are to be, implemented in the current year. This will include increases in the rates of allowances, utility rates, and other unit price increases.

Include in **Column F - Other Increases** all other annualization costs which have not been shown in Columns D and E.

Columns G-H-I Anticipated Mandatory Increases

a. General Instructions

Mandatory increases are the funds needed to cover additional expenses which will occur in the coming year to maintain the staff and service activities authorized as of the end of the prior year. Projected FSN wage scale and price increases which you feel with certainty will be required and which can be supported by local government decrees, wage surveys, past trends, and economic analysis may be included as mandatory increases in the going-rate calculation. Unless they can be clearly supported as going-rate items, they should be omitted from this category and included as discretionary increase estimates. If a lease or contract is coming up for renewal in the coming year and the lease or contract actually provides for some increased payment or you have been notified that an increase will be required, then the increase is mandatory. But if the lease or contract has no specific provision for

an increase and no other supportable basis exists, and you merely suspect that you will not be able to renew without increased costs, then this is speculation, not a mandatory increase and should be included in the discretionary increase column, not in a going-rate calculation. A simple test is found in the word **mandatory**: if you have a choice, it is not part of your going rate. Again, items less than \$50 may be omitted. Each item included should be self-explanatory. If the item is difficult to justify in a few lines, attach an additional supporting statement, with Schedules 1-A and 13-A.

b. Examples of Mandatory Increases

This list indicates some of the types of costs that may be considered mandatory. It is not all-inclusive but should suggest the major items that would require additional funds in your initial operating allowance.

- (1) Increased supply or maintenance costs to service or support a specific activity authorized for coming year, such as additional gasoline for increased motor fleet, approved during prior year but not yet implemented.
- (2) A wage increase required by government decree or resulting from a survey or based on sound supportable reasoning, and planned for installation as of a specified date in a certain amount. Such amount should include those miscellaneous personal service costs related to such wage increase.
- (3) Rentals or contract charges coming due next year but not paid in prior years (**perhaps because of advance payments in earlier years or because of specific increase clauses**).
- (4) Net costs of required or automatic within-grade increases for FSN employees in coming year.
- (5) Special one-time expenditures required by authorized program or project increases, such as initial furniture for a known population increase.
- (6) Leases or contracts funded from other allotments in prior year but authorized for transfer to administrative allotment in coming year. (**The reverse condition should be deducted under non-recurring**).
- (7) Cost of planned rest and recuperation travel in coming year above and beyond level of expenditure in prior year (**list name and amount for each staff member involved in total requirements for year**).
- (8) Replacement of furniture and equipment currently unserviceable and **not** included in continuing replacement program as part of operating allowance base.
- (9) Increased costs due to unfavorable exchange rates.

The distribution of Anticipated Mandatory Increases to Columns G, H, and I will follow the same guidelines as for Columns D-E-F.

Column J FY 19XX (Financial Plan Year) Going Rate

This column is the sum of Columns B through I.

Column K - Discretionary Increases and Decreases

This column provides for adjustments to the going rate calculation

for the costs of changes in servicing levels, new or discontinued activities, or discretionary improvements. For convenience in reviewing and discussing changes with serviced agencies at post in the determination of activities to be reflected in the increase-decrease justifications, the post may wish to consider such potential items as falling into one of the three following categories:

a. Requested Changes

An increase-decrease request is a **requested** change when it results from a change in servicing level requested by one or more serviced agencies. Examples of **requested** changes: if the serviced agency and the administrative unit agree that a particular function should be deleted from the administrative allotment and made a direct charge to the serviced agency's program operating funds; if it is decided that housing maintenance would be more economically and efficiently performed if pooled under FAAS; if an agency requests that FAAS take over a function, such as allotment accounting, formerly performed by the serviced agency itself.

b. Desired Changes

An increase-decrease request is a **desired** change if the post can operate without it but can creditably argue for its installation to improve service or support, or believe that service, support, or morale would be enhanced if specific activities could be funded. Some examples of **changes** would be a justification for a new FSN position to relieve overtime in the disbursing unit or to provide needed night-time chauffeur coverage; plans to lease new office space to improve traffic flow and eliminate overcrowding in the general services unit; a proposal to add new trucklines to the switchboard to improve telephone service; a plan to increase stock levels to preclude possible shortages between semi-annual requisitions; a desire to install a traffic light at the motor pool entrance to control traffic.

This list indicates the type of activity that could result in an increase-decrease request. This list is not all-inclusive, but should suggest the general types of activities that could result in increase-decrease requests. Do not look upon these examples as a wish book or shopping list. You will still need adequate justification to support the change and any obviously impractical proposals may discredit your entire request and may actually work to the post's detriment.

- a. New American positions requested for such things as increased workload, better maintenance supervision, nurse for proposed or authorized health room, etc., requested in accordance with Section 260.
- b. Furniture (**office or household**), equipment, and supplies to support any new position requested in paragraph a above.
- c. Salaries for new FSN positions requested as result of proposed or actual service improvements, such as driver for increased motor fleet, operator for new or additional switchboard, accounts clerk for expanded fiscal responsibilities, maintenance men for new buildings, etc., and requested in accordance with Section 260.
- d. Space required for additional positions requested in paragraphs a and c.
- e. Additional travel funds for administrative staff to coordinate branch activities, regional requirements, or customs clearances, etc.
- f. New funds to provide for planned, annual replacement program,

above amounts included in the going rate request.

g. Funds for renovating or modernizing existing office space.

h. Funds for increased supplies and repair parts, above the going rate and related to increases in supported programs.

i. Proposal to lease two hotel suites for transient quarters.

j. Costs connected with opening new post or savings resulting from closing.

k. Costs connected with transfer of functions from serviced agency to administrative support or savings to the administrative allotment resulting from transfer of costs from FAAS to direct charges.

l. Savings resulting from installation of more efficient procedures or other economy suggestions.

404 Narrative Justification: FBE Schedules 1-A, 13-A and FAAS Mid-Year Financial Plan

Schedules 1 and 13 will be part of the initial FAAS and submission (**see the following Section 405**), but will not require concurrence by the participating agencies.

Schedules 1-A and 13-A, the Narrative Justifications, will also be part of the submission and will repeat will require concurrence of the participating agencies at post. Schedule 1-A is the Narrative Justification for Regional Bureau Allotted S&E Funds; Schedule 13-A is the Narrative Justification for FBO Allotted S&E Funds. For this reason, the narrative justification must be comprehensive and complete for the benefit of the reviewing agency representatives, even where amounts in the FBE schedules appear to be adequately explained in supporting calculations.

Narrative justification for the FAAS mid-year financial plan must also be prepared in accordance with the provisions of this Section 404.

The Narrative Justifications will follow the sequence shown below. It will become the Going Rate submission which will be distributed to the participating agencies in Washington and will be the basis for determination of approved post funding levels. The format is as follows:

A. Estimated Current Year Requirements:

1. Prior Year Obligations \$ XXXXXX

Personal	All
Services	Other
Expenses	Expenses

2. Breakdown of Prior Year Obligations:

a. American Allowances
and Miscellaneous

American Salaries \$ XXXXXX

b. FSN Salary Expenses XXXXXXXXX

c. Other Objects Expenses _____ \$ XXXXXX

d. Subtotals XXXXXXXXX XXXXXXXXX

B. Deduct Non-Recurring:

1. Allowances (Itemize)		XXXXXXXXXX
2. FSN salary (Itemize)		XXXXXXXXXX
3. Other objects (Itemize)		XXXXXXXXXX
4. Etc.	_____	XXXXXXXXXX
Subtotal Non-Recurring	<u>XXXXXXXXXX</u>	<u>XXXXXXXXXX</u>
Requirements Balance	<u>XXXXXXXXXX</u>	<u>XXXXXXXXXX</u>

C. Add Annualization:

1. Allowances (Itemize)		XXXXXXXXXX
2. FSN salary (Itemize)		XXXXXXXXXX
3. Other objects (Itemize)		XXXXXXXXXX
4. Etc.	_____	XXXXXXXXXX
Subtotal Annualization	<u>XXXXXXXXXX</u>	<u>XXXXXXXXXX</u>
Requirements Balance	<u>XXXXXXXXXX</u>	<u>XXXXXXXXXX</u>

D. Add Mandatory Increases:

1. Allowances (Itemize)		XXXXXXXXXX
2. FSN Salary (Itemize)		XXXXXXXXXX
3. Other Objects (Itemize)		XXXXXXXXXX
4. Etc.	_____	XXXXXXXXXX
Subtotal Mandatory Increases	<u>XXXXXXXXXX</u>	<u>XXXXXXXXXX</u>
Requirements Balance	<u>XXXXXXXXXX</u>	<u>XXXXXXXXXX</u>

**E. Add Discretionary Increases
and Decreases:**

1. Allowances (Item E)	XXXXXXXXXX	
2. FSN salary (Item E)	XXXXXXXXXX	
3. Other Objects (Item E)		XXXXXXXXXX
4. Etc.	_____	XXXXXXXXXX
Subtotal Discretionary	<u>XXXXXXXXXX</u>	<u>XXXXXXXXXX</u>
Total Financial Plan	<u>XXXXXXXXXX</u>	<u>XXXXXXXXXX</u>

**F. Breakdown of Total
Financial Plan**

1. American Allowances and Miscellaneous American Salaries	XXXXXXXXXX
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2. FSN Salary Expenses	XXXXXXXX	
3. Other Objects Expenses	_____	XXXXXXXX
4. Total Financial Plan	<u>XXXXXXXX</u>	<u>XXXXXXXX</u>

Explanatory Notes

Paragraph A, Line No. 1 is the total of actual prior year obligations for personal services costs and all other costs.

Paragraph A, Line 2a includes sub-object classes 1121, 1122, 1131, 1132, 1135, 1136, 1151, 1161, 1201, 1204, 1205, 1206.

Paragraph A, Line 2b includes sub-object classes 1113, 1124, 1134, 1162, 1163, 1181, 1219, 1223, 1227, 1228, 1302.

Paragraph A, Line 2c includes all other non-personal services sub-objects of expense.

Paragraphs B, C, D, E list and explain each entry in accordance with the definitions and examples in Section 403. Items of less than \$500 each may be lumped as one entry as **Miscellaneous** without explanation.

In the sections on Annualization and Mandatory Increases, follow the sequence of the columns by the FAAS mid-year financial plan, i.e., wage revisions, price increases, and all other increases.

In the explanation of Annualization and Mandatory Increases, show the date and percentage rates of increase for such items as wage increases, allowance increases, rents, contracts, and utilities which have established rates of payment (**e.g., gas, water, electric power, telephone, and petroleum products**).

G. Special Items

In some cases where an item of increase involves only one agency and the amount of the increase is substantial, the inclusion of this amount in the total and the application of agency percentages may result in a distorted distribution of costs. In such cases where, in the opinion of the administrative officer, the resulting distortion would be significant, the following method may be used:

- (1) Include and explain the special item in the list of increases and identify by agency, including State.
- (2) Below the total request line list each such increase, identified by item number and agency.
- (3) Deduct these special item amounts from the total request.
- (4) Strike new request totals and enter on Adjusted Request line.
- (5) Distribute adjusted balance using regular agency percentages.
- (6) Establish a separate **Special Items** column to the right of the FAAS-6 column and enter the amount on the appropriate agency line.
- (7) Total the amounts shown in each column for each agency to obtain total agency share.

Special items are usually those new or additional services being requested by the agency for the next year for which there are no workload

statistics for the current year. The term **Special Item** should **not** be confused with function 7, **Direct Services**. Usually the special item of support shown for a particular agency on the **going-rate** submission or the **increase-decrease** request will become a regular service for that agency in subsequent years. During the first year in which the special service is rendered it becomes part of the total workload of the FAAS personnel, or a part of the total other object costs, and becomes part of the total workload statistics maintained at the post. Thus the additional workload and costs occasioned by the special service would be automatically reflected as an increase in the participation percentage of that particular agency.

H. Offsets

At some posts certain administrative support services may be furnished by agencies other than the FAAS. In such instances, and when direct reimbursement to the servicing agency is not feasible, the value of such service should be shown as an **offset** for that agency and the cost spread to the other serviced agencies at post which benefit from the service. In so doing, an additional **Offsets** schedule should be included as part of your submission (see **Exhibit 404.2**). The sum of the **Off-sets** column will always result in a zero entry on the total line since the total of all agency **plus** entries will be off-set by a **minus** entry for the agency performing the service. The agency rendering the offset service will present the embassy with a justifiable estimate of the cost of such service. Any changes in level of service and cost from prior year will be explained in detail. The embassy will include a summarization of such costs as an attachment to its submission and show the basis for agency distribution. Whenever possible, such distribution should be related to workload factors and percentages shown on form FAAS-2.

For example, AID provides maintenance and garaging for the motor pool at a total cost of \$40,000. Percentages from form FAAS-2, factor J, **Miles Driven**, indicate the total cost should be spread as follows:

FAAS	10%	\$ 4,000
STATE BASIC	25%	10,000
AID	40%	16,000
USIA	10%	4,000
DIA	10%	4,000
FAS	5%	2,000
	100%	\$ 40,000

Using participation percentages developed on forms FAAS-4A and FAAS-5, the FAAS portion (**\$4,000**) would be spread as follows:

STATE BASIC	30%	\$ 1,200
AID	30%	1,200
USIA	20%	800
DIA	10%	400
FAS	10%	400
	100%	\$ 4,000

The total AID share from the above two sets of figures is \$17,200, which deducted from the total cost (**\$40,000**) leaves \$22,800 to be charged to other agencies as plus entries, and a minus entry for AID. The amounts shown in the offsets column would be:

STATE BASIC	\$ 11,200
AID	(22,800)
USIA	4,800
DIA	4,400
FAS	2,400
	-0-

I. Agency Distribution:

Distribution of the Going Rate - Increase/Decrease estimate between State and DAS, and among DAS agencies, will be in accordance with Exhibit 404.3 and with the following paragraphs:

1. Separate percentages will be used to distribute American position costs (**these same percentages will be used in Washington to distribute American Salary costs as computed from the worldwide American Salary Allotment**), FSN position costs, and Other Objects.
2. American position costs will be distributed initially according to the CORE and DAS percentages from Line 3, FAAS-4A. Distribution of DAS American position costs among the DAS agencies will be in accordance with the **American Participation Percentages** from the Form FAAS-5 prepared for this purpose.
3. FSN position costs will be distributed initially according to the CORE and DAS percentages from Line 4, FAAS-4A, and the DAS portion thereof distributed among the DAS agencies in accordance with the **FSN Participation Percentages** from the Form FAAS-5 prepared for this purpose.
4. Other Objects costs will be distributed by applying the State FAAS-6 participating percentage from Line 156 to the total Other Objects costs. The remainder of the Other Objects costs will be indicated as DAS. The DAS portion of the Other Objects costs will be distributed among the serviced agencies by using the FAAS-6 percentages from Line 160.
5. The column **Special Items/Offsets** will include all adjustments in agency shares which are not properly distributed by the FAAS-5 and FAAS-6 percentages. This column will include **special items** as explained in paragraph G above, and **offsets** in paragraph H above. Salary costs of DAS Direct and DAS Special positions are used in developing the FAAS-5 percentages, therefore, these costs will not be treated as a Special Item.
6. Offsets for common services provided by an agency should be distributed by an appropriate workload factor to all agencies which benefit. Amounts so distributed to State will be shown on the CORE line. A brief description of any costs in the Special Items/Offsets column should be attached with the distribution schedule.

405 Post Submission

The post FAAS estimate has a special objective beyond the primary purpose of the Field Budget Estimate, which is to present a picture of the post's financial requirements in the coming year. The participation of numerous other agencies in the funding of post operations means that these agencies must be as well informed as to post funding needs as the Department. Therefore, the post FAAS estimate must be distributed to the agencies in Washington which will collectively determine the post's funding level.

For the reason stated above, then, the post estimate will be submitted in a form that can be reviewed at the post and distributed to all participating agencies in Washington in the most expeditious manner.

The post FAAS estimate will be submitted as an UNCLASSIFIED AIRGRAM. The transmittal airgram package (**Exhibit 405.1**) will consist of the following:

1. **CORE/DAS Schedules (FAAS-2, FAAS-4A, FAAS-4C, FAAS-4D, FAAS-5, and FAAS-6).**

2. **FBE Schedule 1 - Summary:** Regional Bureau Allotted S&E Funds.
3. **FBE Schedule 13 - Summary:** FBO Allotted S&E Funds.
4. **FBE Schedule 1-A - Narrative Justification for Regional Bureau Allotted S&E Funds.**
5. **FBE Schedule 13-A - Narrative Justification for FBO Allotted S&E Funds.**
6. **FAAS Off-set Schedule (Exhibit 404.2)**
7. **Agency Distribution Schedule (Exhibit 404.3).**
8. **FBE Schedule 15A - FBO Current Short-term Leases.**
9. **FBE Schedule 15B - FBO Projected Short-term Leases.**
10. **FBE Schedule 16 - FBO Furniture and Equipment.**

410 Proceeds of Sales

The definition and procedure for processing proceeds from sales of personal property are set forth in 4 FAM 324.4. From the standpoint of FAAS funding, proceeds of sales represent a source of funds, other than the Department's appropriation or the reimbursements from participating agencies, to meet post requirements for the replacement of personal property.

In the context of these FAAS procedures, the Proceeds of Sales that are referred to here are those which result from the sales of property that were originally funded by the FAAS allotment. This will **exclude**, repeat **exclude**, proceeds from sales of motor vehicles, and real property.

Proceeds of sales of FAAS personal property become available to the post for the replacement of like items through the allotment process, i.e., in the FAAS allotment issued by either the Regional Bureau or FBO. To determine the amount of proceeds which are available to fund the equipment replacement requirements of the post, or which can be used to meet another post's requirements as permitted by 4 FAM 324.4, posts are requested to show the amount of Proceeds which have been realized, or are anticipated to be realized in the current fiscal year, as indicated below.

On FBE Schedules 1-A and 13-A, below the **Agency Distribution Schedule**, include a statement which says, **Estimated Proceeds of Sales are \$ _____**. Include on Schedule 1-A, Narrative Justification for Regional Bureau Allotted S&E Funds, proceeds from the sale of office furniture and furnishings, and equipment. Include on Schedule 13-A, Narrative Justification for FBO Allotted Funds, proceeds from the sale of household furniture and furnishings.

When the Mid-Year Review Estimates are presented to the FAAS Working Group for the inter-agency review session, proceeds of sales will be shown as a deduction from the total post funding requirements on the Form FAAS-8A, as described in Section 520.

420 Interim Increase-Decrease Estimates

Since the going rate estimate, and the mid-year review estimate, both provide for increases and decreases to the going rate requirement, it is not expected that interim requests for changes in post funding will be necessary. An interim increase-decrease estimate, therefore, will normally be reserved for significant and extraordinary changes such as those mentioned in Principle 23 (**Section 130**), which are repeated as follows:

- a. The appropriation of funds substantially less than anticipated and which would substantially reduce the reimbursing agency's program activities;
- b. The opening or closing of an overseas mission for which support services are desired or have been furnished;
- c. A coordinated request from the mission for specific additional services and facilities or the elimination of services and facilities being performed for a specific agency or the mission, which would result in an increase or decrease in resources;
- d. The passage of new Public Laws which impose a heavier financial burden;
- e. Natural calamities, or precipitous actions of host governments.

421 Distribution

Unless you specify otherwise, distribution of increase- decrease requests among serviced agencies should be made on the same basis as your overall FAAS percentages. These same percentages will be used in making agency distributions of cost for increase-decrease submissions. If a particular increase or decrease is only attributable to certain serviced agencies (**and assuming you have explored and discarded the feasibility of a direct charge to that agency**), and the application of your overall workload percentages would result in major distortion or inequities, then separate that particular increase or decrease from the total to be distributed and add it as a **special item** to those agencies' share. (**In subsequent years it may be assumed that this increase would be reflected in the overall workload statistics on which costs are distributed and hence will be automatically attributed to the requested agency (or agencies) in the going rate calculation**).

422 Justifications

Each item in an increase-decrease request will require complete justification. Keep in mind that each request will be reviewed and judged by the regional bureau and will be further examined by budgeting and management counterparts in the serviced agencies. The justifications should be complete and clear enough to ensure understanding, yet brief enough to preclude impressions of a **sales pitch**. However, do not sacrifice clarity for brevity, and if an item is difficult to justify in a few lines, attach an additional supporting statement.

423 Submission

An interim increase-decrease request may be submitted by airgram or telegram, with either means of communication including the following essential elements:

1. Identify the agencies to which copies should be distributed.
2. Explain the item of change and the cost.
3. Show the distribution of costs among the supported agencies.
4. Show concurrence of the supported agencies.

430 Concurrence of Participating Agencies

FAAS Principle No. 10 (**Section 130**) speaks to the responsibilities of supported agency representatives at the post, as follows:

"The chief representative of each serviced agency should recognize a mutual interest in the efficient and economic management of the administrative support operation to the extent that facilities are made available to the agency. To this end, the representative should enter into an agreement with the administrative officer to make certain that the range of available services the agency requires are in fact provided or made available for use, and that the proportionate share of the total cost attributed to the agency is equitable."

Recognizing that agency representatives, who are also program directors, may not have the time or expertise to make specifically critical decisions on the details of FAAS funding estimates, their role in the overall FAAS process is still an important one. To achieve the common U.S. Government objective of providing an efficient and economic support vehicle for numerous and varied programs within a country, active participation and cooperation between the managers and clients is required at the various levels which the FAAS system provides, i.e., in the post review process, in the inter-agency review of FAAS costs in Washington, and by the FAAS Council.

The agency representative at the post is just that - the on-site person who represents an agency back in Washington. At a minimum, the representative should be familiar with the rules of the game, i.e., how the agency's share of FAAS costs is determined; should be assured that the workload count attributed to the agency is accurately maintained; should be aware of the services for which the agency is paying and the delivery or non-delivery of the services; should be aware of local conditions which impact on the direction of FAAS costs and the major elements of FAAS costs. Finally, the agency should know that the administrative officer is available to provide assurances and answer questions. The administrative officer has the responsibility to give the agency representative a reasonable time to review FAAS estimates, and frank and open answers to all questions.

The agency representative's concurrence on FAAS submissions is an indication to the parent agency in Washington of his or her support, if not in full and complete detail, of the overall funding request which has been submitted, and the portion of that request which will be attributed to the agency.

When irreconcilable differences arise and a serviced agency representative refuses to concur in a FAAS submission, that representative must prepare a written statement of reasons for non-concurrence and the Administrative Officer must respond in writing to that statement.

The Administrative Officer is required to submit the serviced agency's statement of non-concurrence and response to it to Washington as attachments to the regular FAAS submission. Similarly, the serviced agency representative at post must send both statements directly to the agency's representative on the FAAS Working Group (FWG) in Washington.

When these documents are received in Washington, the FWG becomes responsible for settlement of the dispute. After consulting with their concerned Regional Bureau and appropriate specialists, the Department of State and the disputing agency's representative will negotiate a resolution to the problem. If appropriate, other agency representatives on the FWG will be consulted.

In accordance with the negotiated resolution, the Department of State will recompute or revise CORE/DAS schedules, mid-year funding plans, and/or other FAAS documents as necessary. The concerned FWG agency representative is responsible for notifying the agency's Post representative of the settlement.

In many instances problems are revealed and immediately settled by negotiation during the FWG review of post FAAS submissions and Bureau budget requests. The FWG Executive Secretary is required to notify each post of actions taken by the Working Group which affect the post's FAAS submission.

FAAS MID-YEAR FINANCIAL PLAN

(Electronic version of this form is not available at this time)

FAAS S&E OFFSET SCHEDULE

(Electronic version of this form is not available at this time)

500 **WASHINGTON REVIEW OF POST ESTIMATES AND DETERMINATION OF POST-FUNDING LEVELS**

510 **Introduction**

When the post FAAS estimates are received in Washington, they are first distributed simultaneously to the regional bureau, FBO, and each of the supported agencies which are listed on the cover page of the transmitting airgram. The estimates are reviewed as submitted.

To consolidate the post estimates from around the world, for both bureau-allotted and FBO-allotted funds, into the actual reimbursement agreements which will fund the FAAS operation, the post estimates will go through the processes described in the following sections.

520 **Form FAAS-8A - Summary of Initial Post Planning Estimate**

The purpose of the FAAS-8A (**Exhibit 520.1**) is to: indicate to the FAAS Working Group the results of the Bureau review of the post estimates, in preparation for the inter-agency review sessions; to record the results of the review sessions; and to show the approved annual planning level amounts for each country as agreed upon by the group.

The calculation starts from the same base that the post used to begin the post's going rate calculation, which is shown on the FAAS-8A as the **Prior Year Allotment**, and which represents the post's estimate of requirements through the end of the fiscal year.

The post's figures for the categories of non-recurring, annualization, mandatory increases, and the initial discretionary increase-decrease estimate is entered on the FAAS-8A to indicate the new Going Rate estimate.

Bureau adjustments are shown in the next portion, either as adjustments to specific line items in the post estimates, which may require correction or updating, or in keeping with standard council policy for the treatment of projected (**i.e., not yet approved or implemented**) wage scale increases and price increases. These adjustments, made early in the fiscal year, will be brought into line with actual experience when the Mid-Year Review Estimates, described in Section 510, are acted upon. As appropriate, a further adjustment is made update the effect of exchange rate changes between the time the post prepared its estimate and the beginning of the new fiscal year.

The sum of the foregoing adjustments is the amount that is presented to the FAAS Working Group as the bureau's recommended funding level for each country. At the time of the Mid-Year Review, the amount of Proceeds of Sales, (**reported by each post as shown in Section 411**) which is planned for allotment to each post, will be shown at the bottom of the Form FAAS-8A as a deduction from the post's Other Objects (**and Total**) requirements. Thus, the amount to be distributed by the percentages of FAAS-8 will be net of Proceeds.

Any further adjustments which may come out of the group's review are then recorded on the FAAS-8A.

530 **Form FAAS-8B - Net American Salary Calculation**

The purpose of the FAAS-8B (**Exhibit 530.1**) is to convert the annual rates of American FAAS positions into an estimate of net annual costs, through the process indicated below. In contrast with FSN employees who serve only in the country where they are employed, American employees serve on a world-wide basis and will move from country to country in accordance with the terms of their individual assignments throughout their careers.

In the process of moving from assignments an American employee may occupy a FAAS position, an overseas program position, or a domestic (**Washington**) position. To account for these various categories of assignment, the Department maintains separate salary allotments for FAAS, program, and domestic American cost.

The calculation of FAAS costs is developed annually from the cost experience of the FAAS allotment, and the factors indicated below are applied world-wide movement of individuals within the FAAS system.

The FAAS-8B is prepared as follows:

1. By regional bureau, the calculation is made for each country which has American positions.
2. The number of American positions are those authorized to each post, including CORE and DAS. The total for each region agrees with the authorized bureau total.
3. The Base Pay Annual Rate is the total of annual rates from the FAAS-4.
4. The Hardship Post Differential Annual Rate is the total for such posts, where HPD is authorized, from the FAAS-4.
5. The **lapse** is the difference between the annual rate amount and the amount actually paid. For computing FAAS American salary costs, the lapse is figured as the difference between total authorized positions and actual employment (**using average authorizations and employment in each case over the twelve-month period**). The Lapse on Base Pay is calculated separately by region. (**In the attached Exhibit, the lapse rate is -0.4%.**)
6. The Lapse on Hardship Post Differentials is calculated at a uniform -15% of the HPD annual rate, in the absence of detailed data which might indicate a different rate. (**HPD is not paid when periods of absence from the post exceed 42 days, e.g., in the case of extended R&R or home leave.**)
7. The Within Grade Increment is calculated at the amount included in the Department's appropriation request each year. This increment is multiplied by the number of authorized positions.
8. Personnel Benefits include the employer's contributions for FEGLIA, FEHBA, FICA, and foreign service retirement, and is computed annually as a percentage of the base pay annual rate. (**In the Exhibit it is 9.3%.**)
9. The Terminal Leave is an increment added to cover separation costs within the total complement. It is computed on a country basis as a percentage of the base pay annual rate. (**In the Exhibit it is 0.8%.**)
10. Pay Increase costs are added to cover statutory general pay raises, since these usually take effect at the beginning of the fiscal year following the preparation of the FAAS-4. This is normally computed at the published average percentage rate of increase for all government employees. (**The Exhibit includes both the general pay raise of 9.4% and the one-time conversion of Foreign Service salaries to the new salary scales, which resulted in an additional increase of 9.3%, for a total increase of 18.7%.**) Pay Increase costs are computed on the sum of Columns three through nine.
11. If the actual workyear exceeds the normal workyear of 260 days, an increment is added for the additional days, at the average cost per day times the number of additional days, based on the sum of columns three

through ten.

12. Total Net American Salaries is the sum of all foregoing columns. This amount is carried forward to the FAAS-8 (**see below**) and distributed to all participating agencies by the CORE and DAS percentages for Americans from the FAAS-4A, and the FAAS-5 percentages.

540 Form FAAS-8 - Post Summary Distribution of FAAS

The FAAS-8 (**See Exhibit 540.1**) is the culmination of all the efforts of the posts, the regional bureaus, and the reviewing agencies, in the process of establishing the FAAS cost for each country, the funding level for each embassy, and the shares for each participant. Through the magic of a central computer and its accompanying high-speed printer, once the basic data which is subject to change each year is input, the report is calculated and printed in the twinkling of the proverbial eye. Consider the time that once was devoted, in each regional bureau, to the mechanical preparation of the FAAS-8 alone, the thousands of calculations, the typing, and reproduction. Now, the FAAS-8 is turned out quickly and accurately by computer for each of the some 140 countries showing the summary distribution of bureau funds, and an equal number for FBO funds, and, in addition, will consolidate for each individual participating organization a world-wide listing of FAAS costs in each country.

The FAAS-8 is prepared as follows:

1. Total American and FSN positions are input from the post FAAS-4, adjusted or corrected ins the bureau review process to agree with current authorized position totals.
2. American Salary Costs are input from the FAAS-8B Net American Salary Calculation schedule.
3. Amounts for the operating expense categories which make up the Post Total are input from the FAAS-8A Summary: Initial Post Planning Estimate, as follows:
 - a. Post Personal Services Expenses - Americans.
 - b. Post Personal Service Expenses - FSN's.
 - c. Post Other Objects Expenses.
 - d. Post Special Items and Offsets.
4. The CORE and DAS percentages are input basically from the post FAAS-4A, and the post FAAS-6, and more conveniently from the Agency Distribution Schedule of the Going Rate Estimate, Section 404, Paragraph I.
5. The DAS agency listing and participation percentages are input from the post FAAS-5 and FAAS-6, also shown more conveniently on the Agency Distribution Schedule.
6. Amounts in the columns titles **Special (American) Salary Items**, and **Post Special Items (and Offsets)** must be input specifically against the individual agencies to which each amount applies, since such costs are not susceptible to distribution by the basic percentages. Normally, special item and offset costs are taken directly from the post's Agency Distribution Schedule of the Going Rate Estimate, but it is often necessary to use these columns to make corrections for such things as DAS Special or Direct position charges which have been overlooked in the preparation of the post schedules.

7. The percentage in the column **FAAS 5% AMER (which reads, the FAAS-5 Percentage for American costs)**, is applied to the columns for American Salary Costs, and Post Personal Services Expenses - Americans.

8. The percentages in the column **FAAS 5% (FAAS-5 Percentage for FSN Expenses)**, is applied to the column for Post Personal Services for FSN costs.

9. The percentages in the column **FAAS 6% (FAAS-6 Percentages)** is applied to the column for Post Other Objects.

10. At the point where the cost data is being input for preparation of the FAAS-8, the DAS Position Control Report must be reviewed and the costs of DAS Special and DAS Direct positions be transferred to the **Special Item** column of the FAAS-8, and allocated to the agencies responsible for the direct charges. (**The costs of JAO positions, of course, will be distributed by the percentages**).

The FAAS-8 is prepared initially for the participants in the inter-agency review sessions, i.e., for the FAAS Working Group, for regional bureau budget officers, and for pertinent central budget office personnel. Following the inter-agency review, necessary adjustments are made and the revised summaries are distributed to all participating agencies as the initial estimate of FAAS costs for the fiscal year.

As necessary during the fiscal year, and particularly following the Mid-Year Review, a similar summary report, called the **FAAS-9 Summary of Increases and Decreases** is prepared. The FAAS-9 deals with the plus or minus changes to the original Going Rate totals which determine the final approval funding levels for the fiscal year.

550 Inter-Agency Review Sessions

The inter-agency review sessions (**IRS**) is the second level of cooperative oversight available to the participating agencies in the overall FAAS system. The first level is the requirement for agency concurrence at the posts, and the third represented by the role of the full Council. These round-table conferences are similar to **hearings**, at which an agency presents its budgetary case before OMB examiners or a Congressional committee, but the term **sessions** has been deliberately chosen to avoid the connotation of the adversarial relationship which is often present in a **hearing**. This is not to say that the **sessions** are consistently notable for an aura of peace and harmony but they do serve the worthwhile purpose of bringing to bear on total FAAS funding requirements the varying viewpoints of the participating agencies.

By whatever name, the IRS is an opportunity for the FAAS Working Group representatives to review FAAS costs from the standpoint of the impact of the cumulative total of their respective shares on a world-wide basis. Agency representatives have an unlimited opportunity to raise questions on the post estimates, to examine proposed funding levels on an item basis, to verify projected dates of anticipated increases, to be advised of progress on continuing programs, to correct mechanical errors, to request additional information from the posts where the justification is unclear or weak. In short, the agencies can present their concerns in the review sessions, and the Department considers these concerns, presents its responses, and endeavors to reach a consensus with which the agencies can concur and the Department can exercise its responsibility for the provision of service.

The Mid-Year Review session usually takes place in the third quarter of the fiscal year. Both the agency representatives and departmental personnel are working with the same basic documents, the FAAS-8's and supporting FAAS-8A's and FAAS-8B's, the post CORE/DAS Schedules, and the post FAAS estimates.

SUMMARY

INITIAL POST PLANNING ESTIMATE
(FAAS ALLOTMENT)

(Electronic version of this form is not available at this time)

Department of State

Outgoing Telegram

UNCLAS STATE 098458

AIDAC DAKAR FOR RDO AND OMVS COORD KARACHI FOR AAG, 11S

E.O. 11652: N/A

TAGS:

SUBJECT: FY 1979 FAAS SUBMISSION

GUATEMALA FOR USAID, ROCAP NAIRCSI FOR USAID, REDSO/EA

REF: (A) STATE AIRGRAM A-1451 DATED 4/10/78, INSTRUCTIONS FOR PREPARING FY 1979 FAAS ESTIMATES; (B) STATE 052077; (C) APPENDIX 6, 4 FAM; (D) APPENDIX 11A, HB 19

1. IN VIEW OF THE LIMITED OPERATING EXPENSE FUNDS AVAILABLE IT IS INCUMBENT UPON EACH AID UNIT TO EXAMINE THE COST EFFECTIVENESS OF FAAS SUPPORT RECEIVED AND TO ENSURE THAT FAAS COSTS ARE EQUITABLY DISTRIBUTED AMONG SERVICED AGENCIES. THEREFORE, AS PART OF OUR OVERALL EFFORTS TO IMPROVE THE AGENCY'S MANAGEMENT OF OPERATING EXPENSES, OF WHICH FAAS IS A PART, WE ARE PROVIDING SOME GUIDELINES TO BE USED BY AID UNITS IN REVIEWING THEIR FY 1979 FAAS CHARGES.

2. THE PURPOSE OF FAAS IS TO DISTRIBUTE **COMMON TYPE** ADMINISTRATIVE SUPPORT AMONG THE VARIOUS AGENCIES AT A POST IN AN EQUITABLE MANNER. AS INDICATED IN PARAGRAPH 2 OF THE REF (A), THE APPLICATION OF STANDARD WORKLOAD FACTORS, WHICH WERE DEVELOPED TO COVER A WORLDWIDE SITUATION, CAN SOMETIMES RESULT IN SIGNIFICANT DISTORTIONS IN COST SHARING AMONG AGENCIES. FOR THIS REASON REF (A) AUTHORIZES POSTS WHERE SUCH INEQUITIES WOULD OCCUR TO DEVELOP ALTERNATIVE COST SHARING TECHNIQUES TO DISTRIBUTE ANY COSTS IN WHICH USE OF THE STANDARD FACTOR WOULD RESULT IN DISTORTIONS. YOU SHOULD CAREFULLY EVALUATE ALL FACTORS USED TO ENSURE EQUITABLE DISTRIBUTION OF COSTS. IN THOSE INSTANCES WHERE YOU PROPOSE ALTERNATIVES TO THE STANDARD FACTORS TO ACHIEVE MORE EQUITABLE DISTRIBUTION, YOUR POSITION SHOULD BE DISCUSSED AND RESOLVED WITH THE EMBASSY AND OTHER SERVICED AGENCIES. THE GUIDELINES CONTAINED HEREIN, USED IN CONJUNCTION WITH REFERENCES WILL, HOPEFULLY, MAKE IT EASIER FOR AID POSTS TO DETERMINE THE EQUITABILITY OF COST SHARING AND THUS TO DETERMINE THE NEED FOR SPECIAL COST SHARING ARRANGEMENTS. THESE GUIDELINES FOLLOW THE ORDER OF FORMS DESCRIBED IN REF (A).

3. FAAS-1 **BASIC AGREEMENT**. EACH AID POST IS EXPECTED TO REVIEW ITS FAAS-1, WHICH IS THE BASIC AGREEMENT BETWEEN THE EMBASSY AND THE AID MISSION, TO ENSURE THAT THOSE SERVICES SIGNED FOR ARE NEEDED, AND, FURTHER, THAT CHARGES ARE NOT MADE FOR SERVICES NOT RECEIVED. WHILE THE FAAS-1 IS NOT REQUIRED TO BE SUBMITTED AS PART OF THE FY 79 FAAS SUBMISSION BY THE POSTS, ALL AID UNITS SHOULD FORWARD COPIES OF THE CURRENT FAAS-1 TO AID/W FOR OFM/SPD AND SER/MO.

4. FAAS-2 **WORKLOAD FACTOR DISTRIBUTION**.

(A) THE DATA REPORTED ON THIS FORM IS THE BASIS FOR DETERMINING AID'S SHARE OF FAAS COSTS. REVIEW THIS DATA CAREFULLY. AN EXPLANATION OF THE VARIOUS WORKLOAD AREAS, INCLUDING THE COUNT PERIOD TO BE USED FOR DATA COLLECTION, IS CONTAINED IN SECTION 140, APPENDIX B, 4 FAM AND IN APPENDIX 11-A HB 19.

(B) IN REVIEWING THE FAAS-2, AID POSTS ARE TO PAY PARTICULAR ATTENTION TO LINES 1 THROUGH 8. AS INDICATED IN REF (B), WHICH WAS CONCURRED IN BY THE DEPARTMENT, AID POSTS ARE TO USE THE AUTHORIZED FY 79 ON-BOARD FIGURES (**US FTEPP AND FN FTEPP**) ISSUED BY AID/W EARLIER THIS YEAR AS THE NUMBER OF AUTHORIZED AMERICAN AND LOCAL PERMANENT POSITIONS. THE NUMBERS ARE TO BE REDUCED, HOWEVER, BY THE NUMBER OF AUTHORIZED AID POSITIONS IDENTIFIED AS JAO POSITIONS. ONLY THE NET POSITIONS ARE TO BE SHOWN ON LINES 1 AND 2 OF THE FAAS-2. LINES 3 AND 4 (**CONTRACT AMERICANS AND LOCALS**) ARE TO INCLUDE ALL CONTRACT EMPLOYEES AT POST ON MARCH 31, 1978. HOWEVER, THIS IS NOT NECESSARILY THE NUMBER WHO RECEIVE FAAS SUPPORT, AS SOME US AND LOCAL PERMANENT AND/OR CONTRACT PERSONNEL MAY NOT BE AUTHORIZED TO RECEIVE SUPPORT THROUGH FAAS. THIS IS MORE LIKELY TO EFFECT CONTRACT PERSONNEL THAN PERMANENT PERSONNEL. YOU SHOULD ENSURE THAT FIGURES SHOWN ON LINES 6, 7, AND 8 REFLECT ONLY THOSE PERSONNEL AUTHORIZED TO RECEIVE FAAS SUPPORT UNDER SUB-FUNCTIONS 1.1, 1.2, AND 1.3 RESPECTIVELY. (**SEE SECTION 215.2, 4 FAM OR A-7, APPENDIX 11A, HB 19**).

(C) IN CONNECTION WITH THE ABOVE, REF (C) STATES THAT **WHEN AN AGENCY RECEIVES ONLY ONE SERVICE INCLUDED UNDER EACH OF THESE SUB-FUNCTIONS AND THE APPLICATION OF THE WORKLOAD FACTOR WOULD PRODUCE GROSS INEQUITIES, THE ADMINISTRATIVE OFFICER MAY MAKE NECESSARY ADJUSTMENTS ... TO ACHIEVE A MORE EQUITABLE DISTRIBUTION OF WORKLOAD.** THUS IF AN AID EMPLOYEE, U.S. OR LOCAL, PERMANENT OR CONTRACT, RECEIVES LITTLE OR NO SUPPORT THROUGH FAAS FOR SUBFUNCTIONS 1.1, 1.2, OR 1.3, YOU SHOULD EXAMINE POSSIBLE ALTERNATIVES IN ARRIVING AT THE COUNT FOR LINES 6-8 ON THE FAAS-2. THIS COULD BE SOMETHING AS SIMPLE AS COUNTING SUCH POSITIONS AS ONLY 1/2 OR 1/4 OF A POSITION. THE OBJECTIVE IS TO OBTAIN AN EQUITABLE DISTRIBUTION OF FAAS COSTS BASED ON THE LEVEL OF SERVICE RECEIVED BY EACH PARTICIPATING AGENCY.

(D) WHILE WE HAVE DISCUSSED ONLY FACTORS A, B, AND C, ALL DATA ON THE FAAS-2 SHOULD BE EXAMINED, USING THE SAME GENERAL APPROACH AS ABOVE. DATA FOR FY 79 SHOULD ALSO BE COMPARED WITH THAT FOR FY 78. MISSIONS SHOULD SATISFY THEMSELVES THAT ANY SUBSTANTIVE CHANGES IN COUNTS FOR ANY FACTORS ARE JUSTIFIED.

5. FAAS-3 **LIST OF DUTIES PERFORMED.** THIS FORM IS SELF EXPLANATORY, AND THE REVIEW SHOULD BE TO ENSURE GUIDANCE IN REF (A) IS FOLLOWED.

6. FAAS-4 **CORE/DAS POSITIONS.** THE FAAS-4 CONSISTS OF THE FORMS DS-1736 AND DS-1736A.

A. DS-1736. THIS FORM LISTS THE INDIVIDUAL U.S. AND LOCAL CORE/DAS POSITIONS AND SHOWS ALLOCATION OF DAS POSITION TIME TO VARIOUS CATEGORIES OF WORK. THE DEPARTMENT WILL SEND EACH POST A LISTING OF AUTHORIZED DAS POSITIONS. THIS LISTING MUST BE USED, AND POSITIONS NOT INCLUDED IN THE LISTING ARE NOT TO BE SHOWN ON THE 1736 AS DAS. WHILE AGENCIES AT POST CANNOT ALTER THE CORE/DAS POSITIONS CURRENTLY AUTHORIZED, THEY CAN AND SHOULD EXAMINE THESE POSITIONS IN TERMS OF BOTH QUANTITY AND CLASSIFICATION AS TO CORE OR DAS. IF YOU FEEL THAT CERTAIN POSITIONS CLASSIFIED AS CORE DAS SHOULD BE DAS CORE OR THAT THERE ARE EXCESSIVE OR INSUFFICIENT POSITIONS UNDER CORE AND/OR DAS, ADVISE AID/W GIVING YOUR REASONS FOR ANY PROPOSED CHANGES. WE CAN THEN DISCUSS THE MATTER WITH ALL OTHER AGENCIES TO OBTAIN ADJUSTMENT, IF WARRANTED.

B. REF (A) PROVIDES SPECIFIC INSTRUCTIONS FOR HANDLING DAS DIRECT SERVICE AND DAS SPECIAL POSITIONS. ENSURE THAT SUCH POSITIONS ARE SHOWN AS PROVIDED IN THE INSTRUCTIONS.

C. MOST, THOUGH NOT ALL, OF AID'S PROBLEMS WITH PAST FAAS SUBMISSIONS, HAS INVOLVED TREATMENT OF DAS DRIVERS. THIS HAS ALSO BEEN A PROBLEM AREA FOR OTHER AGENCIES. MANY OF THESE PROBLEMS WILL BE RESOLVED THROUGH CAREFUL USE OF THE NEW PROCEDURES WHICH HAVE BEEN DEVELOPED (**SEE REF (A), DS-1736 PARA 9(F)**). PLEASE NOTE, HOWEVER, THAT THERE ARE A FEW AID MISSIONS WHICH SHOULD ARRANGE FOR DEVELOPMENT OF SPECIAL COST SHARING ARRANGEMENTS INSTEAD

OF USING THE PROCEDURES IN REF (A). FOR EXAMPLE, SOME LARGE AID MISSIONS WHICH HAVE THEIR OWN MOTOR POOL, MAINTENANCE UNITS (**RESIDENCE AND OFFICE**) ETC. AND WHICH RECEIVE ONLY MINIMAL FAAS SUPPORT, SUCH AS POUCH, MEDICAL, AND COMMUNICATIONS, SHOULD CONTRIBUTE LITTLE, IF ANY, TO MOTOR POOL COSTS. USING FACTOR C FOR INDIRECT SUPPORT IN THESE CASES COULD RESULT IN AID FUNDING A DISPROPORTIONATE SHARE OF THESE COSTS. IN SOME SUCH CASES AID SHOULD POSSIBLY RECEIVE NO CHARGE. IN OTHERS A CHARGE WOULD BE PROPER, BUT ONLY FOR AID'S SHARE OF THAT PORTION OF INDIRECT SUPPORT RELATED TO PICKING UP AND SENDING OUT POUCHES, NOT FOR MAINTENANCE TRIPS, ETC.

D. DS-1736A. SEE REF (A). AID'S REVIEW OF THIS FORM WILL BE LIMITED PRIMARILY TO ENSURING DATA IS PROPERLY TRANSFERRED FROM OTHER SCHEDULES AND THAT COMPUTATIONS ARE CORRECT.

7. FAAS-5 **DAS PERSONAL SERVICES DISTRIBUTION**. THIS FORM IS USED TO DISTRIBUTE DAS PERSONAL SERVICES COSTS BASED ON FACTORS AND PERCENTAGES DEVELOPED ON THE FAAS-2 AND FAAS-4. IF ALTERNATIVE COST SHARING PROCEDURES WERE DEVELOPED AS DISCUSSED EARLIER, YOU SHOULD ENSURE THAT THEY, AND NOT STANDARD FACTORS, ARE USED IN DISTRIBUTING COSTS ON THE FAAS-5. COSTS SHOULD ONLY BE SHOWN FOR THOSE SERVICES AID HAS REQUESTED ON THE FAAS-1 AND AID IS RECEIVING.

8. FAAS-6 **FAAS - OTHER OBJECT DISTRIBUTION**. SEE PARAGRAPH 7 ABOVE.

9. GOING-RATE. GENERAL. THE PRIMARY PROBLEMS WE HAVE NOTED IN PRIOR YEAR GOING-RATE SUBMISSIONS HAVE BEEN DUE TO (A) FAILURE OF POSTS TO DEDUCT ALL NON-RECURRING ITEMS; (B) POSTS SHOWING INELIGIBLE ITEMS AS MANDATORY INCREASES; (C) FAILURE TO STATE SPECIAL ITEMS, E.G., TERRORISM COSTS AS STATE BASIC, AND (D) FAILURE TO SHOW OFF-SETS DUE SERVICED AGENCIES.

A. CURRENT OPERATING ALLOWANCE. SEE 4 FAM OR APPENDIX 11A, HB 19.

B. DEDUCT NON-RECURRING. THE GOING-RATE TAKES AS ITS STARTING POINT THE CURRENT YEAR'S FAAS OPERATING ALLOWANCE. THIS IS THEN ADJUSTED FOR INCREASES AND DECREASES IN OPERATING COSTS TO ARRIVE AT THE OPERATING ALLOWANCE REQUIRED FOR THE NEW YEAR. OBVIOUSLY, IF COSTS OF A NON-RECURRING NATURE WHICH WERE FUNDED IN THE CURRENT YEAR ARE NOT TAKEN OUT OF THE **BASE**, THE FAAS REQUIREMENTS FOR THE NEW YEAR WILL BE OVERSTATED. AND YOU CAN IDENTIFY SUCH NON-RECURRING ITEMS ONLY BY REVIEWING THE CURRENT YEAR'S GOING-RATE AND INCREASE/DECREASE STATEMENTS. PAGE 74-75, APPENDIX 11-A, HB 19 PROVIDES AN EXPLANATION OF WHAT ITEMS ARE TO BE CONSIDERED NON-RECURRING AND PROVIDES NUMEROUS EXAMPLES OF SUCH NON-RECURRING COSTS. THOROUGH REVIEW OF THIS SECTION IS ESSENTIAL.

C. ADD ANNUALIZATION. SEE 4 FAM OR APPENDIX 11-A, HB 19.

D. ADD MANDATORY INCREASES. THIS SECTION, AS THE TITLE STATES, IS FOR MANDATORY ITEMS ONLY. IF AN INCREASE IS JUST A POSSIBILITY FOR WHICH THERE IS NO SUPPORTABLE SUBSTANTIVE BASIS AS TO TIME OR AMOUNT, IT SHOULD NOT GO IN THE GOING-RATE. INSTEAD IT SHOULD BE SHOWN IN AN INCREASE/DECREASE STATEMENT. IN ADDITION TO SHOWING SUCH CONTINGENCY ITEMS AS MANDATORY INCREASES, SOME POSTS HAVE INCLUDED NON-FAAS RELATED COSTS IN THIS SECTION, AS WELL AS IN INCREASE/DECREASE STATEMENTS.

AS A GENERAL RULE, HOUSING COSTS, RESIDENTIAL AND OFFICE FURNITURE AND EQUIPMENT, ETC. SHOULD NOT APPEAR IN EITHER THE GOING-RATE OR INCREASE/DECREASE STATEMENTS UNLESS THEY ARE FOR FAAS PERSONNEL. SHOULD SUCH COSTS APPEAR FOR NON-FAAS PERSONNEL, YOU SHOULD REQUEST THAT THEY BE REMOVED FROM THE FAAS ALLOTMENT.

E. STATEMENT OF AGENCY PRESENCE. SEE REF (A).

F. AGENCY DISTRIBUTION. SEE REF (A).

10. OFFSETS. PER REF (A) **OFFSETS FOR COMMON SERVICES PROVIDED BY AN AGENCY SHOULD BE DISTRIBUTED BY AN APPROPRIATE WORKLOAD FACTOR TO ALL AGENCIES WHICH BENEFIT.** THERE ARE SOME POSTS AT WHICH AID PROVIDES SERVICES SUCH AS VEHICLE MAINTENANCE, GSO OFFICE FACILITIES, WAREHOUSING FACILITIES, AND/OR ASSIGNMENT OF AID PERSONNEL INFORMALLY TO ASSIST WITH ADMINISTRATIVE FUNCTIONS, ETC. FOR USE BY SOME OR ALL OTHER AGENCIES AT THE POST, SUCH SERVICES BEING FUNDED FROM THE AID ALLOTMENT. IN THE PAST WE HAVE NOT ALWAYS REQUESTED A PROPER OFFSET FOR SUCH ITEMS. FOR FY 79 YOU SHOULD TAKE NECESSARY ACTIONS TO ENSURE THAT SUCH COSTS ARE PROPERLY DISTRIBUTED AMONG ALL AGENCIES, INCLUDING AID, WHICH UTILIZE THE SERVICE. THE AMOUNT CHARGEABLE TO OTHER AGENCIES WOULD THEN BE SHOWN AS AN OFFSET TO AID. (**SEE 4 FAM OR PAGE A-82-83, APPENDIX 11-A, HB 19.**) PLEASE NOTE THAT SUCH ITEMS ARE TO BE HANDLED AS OFFSETS ONLY, NOT AS REIMBURSEMENTS TO THE AID POSTS BY SERVICED AGENCIES.

11. YOU ARE ALSO REMINDED THAT EMBASSY OFFICIALS SHOULD BE NOTIFIED 6 MONTHS IN ADVANCE OF ANY SUBSTANTIVE CHANGES IN THE LEVEL OF SUPPORT PLANNED, DUE TO EITHER CHANGES IN THE BASIC AGREEMENT OR INCREASES/DECREASES IN AID STAFFING LEVELS. THIS FORMAL NOTIFICATION IS REQUIRED EVEN THOUGH EMBASSY PERSONNEL MAY BE INFORMALLY AWARE OF SUCH CHANGES.

12. SHOULD YOU NEED FURTHER GUIDANCE, OR NEED ASSISTANCE IN RESOLVING PROBLEMS AT POST, ADVISE AID/W (**OFM/SPD AND SER/MO/OM**) AND WE WILL RESOLVE SUCH QUESTIONS/PROBLEMS WITH THE DEPARTMENT.

13. ATTACH A COPY OF THIS CABLE AND REF (A) TO HB 19 AS APPENDIX 11-B. CHRISTOPHER

NOTE BY OC/T: POUCHED AMEMBASSY BEIRUT

AIRGRAM

Handling: PRIORITY

Classification: UNCLASSIFIED

TO: ALL AMERICAN DIPLOMATIC POSTS, HONG KONG, PARIS RFDPC, BANGKOK FADPC,
ICA ESTABLISHMENTS, ALL AID MISSIONS

FROM: DEPARTMENT OF STATE

E.O. 11652: N/A

TAGS: ABUD

SUBJECT: Instructions for Preparing FY 1979 FAAS Estimates

REF: Appendix B, 4 Fam

1. **Purpose.** To provide instructions for preparing the FY 1979 FAAS Estimates.

2. **Objective of FAAS.** The FAAS program provides an equitable method to share the cost of operating **common type** administrative support to other agencies at the post. The cost of sharing techniques of FAAS have been approved by the Inter-Agency Council on Administrative support. The detailed FAAS instructions, contained in the enclosure, were developed and written to cover a worldwide situation. Some posts may find that application of standard workload factors would result in significant distortion in cost sharing. When this situation arises the post should develop an alternative cost sharing technique. All agencies at the post should concur in any changes to the cost sharing techniques. Furthermore, and most important, any changes should be fully explained in the FAAS submission.

3. **Explanation of Changes.** Only minor changes have been made for FY79. The most significant of these are:

- a. Noting position number of the FAAS-4.
- b. Identification of JAO detailed positions.
- c. Special treatment for DAS drivers.
- d. Change in method for calculating cost of DAS Direct Service and DAS Special positions.
- e. Change in method of preparing the Agency Distribution Schedule in the Going Rate.

4. **State Narcotics Program.** The State Narcotics program will be treated, for FAAS purposes, as a serviced agency. It is not to be included in State program or State CORE.

5. **FAAS Estimates.**

a. The FAAS Estimates consist of three separate parts as follows: CORE/DAS Schedules; Going Rate Estimate; and Initial Increase-Decrease Request. Each part will be submitted to the Department separately by Unclassified Airgram, Subject: FY 1979 FAAS Estimate - CORE/DAS Schedules; FY 1979 FAAS Estimate - going Rate Estimate; and FY 1979 FAAS Estimate - Increase/Decrease Request. The initial Increase/Decrease Request will be

marked number 1.

b. The first page of each submission will include the caption: Distribute to: and a list of the full titles of the participating agencies. Initials should not be used. This is required in order to ensure the proper distribution of copies to parent agencies.

6. **Deadlines.** The CORE/DAS Schedules are due in the Department by May 30, 1978; the Going Rate Estimate and the Initial Increase-Decrease Request by June 15, 1978.

7. **CORE/DAS Schedules.** There are two categories of FAAS submissions. The proper submission for each post will depend upon whether or not the post has any DAS positions. These categories and applicable schedules are as follows:

a. Category One. Post with DAS positions, either American or Locals, on March 31, 1978, will prepare the following FAAS Schedules:

- (1) FAAS-2. Workload Factor Distribution (**DS-1756**).
- (2) FAAS-3. List of Duties Performed. These forms are prepared only for personnel occupying DAS positions, the date are then shown on the FAAS-4 (**DS-1736**) and the forms themselves are retained at post. Estimates will be developed for vacant positions.
- (3) FAAS-4. This consists of two separate forms. The Administrative Staffing - CORE/DAS Positions, Form DS-1736 (**Rev. 3-77**) and Administrative Staffing - CORE/DAS Computations, Form DS-1736A (**Rev 3-77**).
- (4) FAAS-5. Personal Services Distribution - DAS Only.
- (5) FAAS-6. Other Object Distribution, Form DS-1747 (**Rev. 3-77**).

b. Category Two. Posts with no American or Local DAS positions on March 1, 1978, will prepare only a FAAS-2, FAAS-4 and FAAS-6. In preparing Form DS-1736A, **FAAS Administrative Staffing - CORE/DAS Computations** category two posts will complete only lines 1 through 11; lines 12-16 need not be completed.

c. Posts are encouraged to use computers for preparing their FAAS Estimates. With the exception of posts which use computers to prepare the estimates, the use of the March 1977 revision of Forms DS-1736, DS-1736A, DS-1747 and DS-1756 is mandatory.

8. **Instructions.** Separate instructions, which are enclosed, have been prepared for each of the CORE/DAS Schedules listed in paragraph 7, above, as well as for the Going Rate Estimate and the Initial Increase-Decrease Request. These instructions are changes and modifications to the instructions contained in Appendix B, 4 FAM, which should be reviewed prior to preparing the FAAS submission.

Enclosure:
As Stated

Concurrences :

ACTION: M Leyland
AID: S Thornberg

DOD: J McNally
USDA: R Smith

ICA: S Silverman

VANCE

Preparation of FAAS-1

Post Foreign Affairs Administrative Support Agreement

The FAAS-1 is the basic agreement between the Department and the serviced agency. Unless otherwise required, the FAAS-1 does not need to be recopied and attached with the FY 79 FAAS submission. However, the FAAS-1 should be reviewed, with agency representatives for accuracy on at least an annual basis and revised as necessary.

Preparation of FAAS-2

Workload Factor Distribution

A standard form (**DS-1756**) will be used for the Workload Factor Distribution. It is important that all posts prepare the DS-1756 as accurately as possible because the data reported forms the basis for cost sharing among the agencies. The FAAS-2 can be prepared by computer, but in terms of the data reported, must conform precisely to that required by form DS-1756.

The form contains two percentage columns for every agency on each workload line. The first percentage column will be used to record the individual workload percentages for each agency including State and FAAS. The second percentage column will be used to record the workload percentages for each agency excluding the workload applicable to State and FAAS. The percentages in the first column are used to distribute costs on the FAAS-6 while the percentages in the second column are used to distribute costs on the FAAS-5. Percentages will be carried out to one place to the right of the decimal point.

Refer to section 140, Appendix B, 4 FAM for an explanation of the workload areas.

Preparation of FAAS-3

List of Duties Performed

The List of Duties Performed is to be prepared only by employees occupying DAS positions. The immediate supervisor should review each completed form for accuracy of content and prepare forms for vacant positions. Each employee completing a FAAS-3 should apportion his time among the authorized sub-functions. The supervisor should review the form and, as necessary, adjust it to comply with these instructions. Also, as employees time will be reflected on the FAAS-4 only in amounts of time equaling 25% or more, the significance of small percentages of time as a factor in distributing DAS costs among the participating agencies has been eliminated.

As a final review, the Budget and Fiscal Officer should determine that any significant deviation between the data reported from the FAAS-3 in FY 1978 and that to be reported in FY 1979 accurately reflects differences in duties performed, and not merely superficial differences.

All sub-functions performed by an employee must equal 100%. The part of the 4 FAM relating to subsequent functions to be performed by budget and fiscal sections is no longer necessary.

Preparation of FAAS-4

FAAS Administrative Staffing - CORE/DAS Positions

The FAAS-4 consists of two forms, the DS-1736 and DS1736A.

The first form, DS-1736, is used to show the total FAAS administrative staff. Both CORE and DAS positions will be included on the same form. Most posts will be able to show their total staff, Americans and locals both CORE and DAS, on one sheet.

The second form, DS-1736A, has two parts. The first part will be used for showing certain support costs which are directly related to American positions, but which can not readily be associated with individual CORE or DAS positions. The second part of the form will be used for developing the necessary CORE/DAS percentages.

Separate instructions for preparing each form follow.

Preparation of DS-1736

FAAS Administrative Staffing - CORE/DAS Positions

1. General.

The form must be completed even though there are only CORE positions at the post.

2. Position Control.

a. CORE and DAS positions shown on the DS-1736 must agree with the authorized staffing as issued by the Department as of March 31, 1978. Vacant positions will be shown. It is especially important that the number of DAS positions shown be accurate. To assure accuracy a listing of the authorized DAS positions will be sent to each post under separate cover.

b. There are three types of DAS positions: (1) Regular DAS, (2) DAS Direct Service and (3) DAS special. Costs of regular DAS positions are fully shared by all serviced agencies at the post. DAS Direct Service positions are those in which the incumbent works full time for a particular serviced agency. All costs associated with a DAS Direct Service position are funded by the agency receiving the support. DAS Special positions are those positions added to the post complement as the result of increased support demands by a serviced agency. The agency responsible for the DAS special position will fully fund all costs through the end of the first full fiscal year after the position is authorized. The listing of authorized DAS positions, referred to in 2a above, will identify those positions which are DAS Direct Service and DAS special. The listing will also indicate which agency is responsible for the funding.

3. Column A - Organizational Unit.

Insert the following Section abbreviations as appropriate. PER, B&F, GS, COM, SEC and MGT. For consulates use the first few letters of the name.

4. Column B - Working Title(s).

a. Positions will be entered using a descriptive title. The descriptive title used should be one that identifies the type of work the employee performs. The position title, therefore, would not necessarily be the same as shown in the staffing pattern.

b. Only one position will be entered on each line.

c. After the position title enter the position number.

d. AID encumbered positions in a JAO will be identified with the letters JAO after the position number.

e. Positions will be entered in the following order:

(1) CORE Americans, (2) CORE Locals, (3) DAS Americans, (4) DAS Locals, (5) DAS Direct Service Americans, (6) DAS Direct Service Locals, (7) DAS Special American and (8) DAS Special Locals. A total line will be entered after each group of positions.

f. DAS Direct Service positions are those positions which a specific

agency has agreed to fund indefinitely. The incumbent of a DAS Direct Service position should work full time for the Agency paying the salary costs. DAS Direct Service positions should not be confused with a DAS Special Position.

g. DAS Special Positions are those positions which an Agency funds for the first partial year and succeeding full fiscal year (**see A-1663, April 12, 1977**). DAS Special Positions that are not withdrawn at the end of the succeeding full fiscal year become Regular DAS positions at that time.

5. Column C - Authorized Number.

Opposite each working title enter an **X** in either the American or Local column as appropriate. Since only one position is on each line it is not necessary to indicate the number of positions.

6. Column D through I.

Grades, Salaries, and HP differentials are to be shown at annual rates as of September 30, 1978 including known within-grade and promotion increases. Allowances are to be shown at net cost as of September 30, 1978. Local salaries are to be shown at net cost as of September 30, 1978. Salary costs will be estimated for vacant positions.

7. Column J - Other 11, 12 and 13 Costs.

The use of this column is optional. If the object class 11, 12 and 13 costs applicable to each position are readily available, they should be shown appropriately in this column. If not, then one-line entries reflecting the total of these costs for all American positions, should be made immediately following the last American position listed and included in the total for all American positions. Similarly, one-line entries for these costs applicable to local positions should be made immediately following the last local position listed and included in the total for all local positions. It is recognized that the distribution of some of these figures may be partially estimated.

8. Column K - Total.

Self explanatory.

9. Columns L through R. Percentage Distribution of Employees Time by Sub-function.

a. No data will be entered in these columns for CORE positions.

b. Percentage of time for each DAS position will be entered in amounts of time equaling 25% or greater. Therefore, there will be no percentage figures on the form of less than 25%. All percentages will be expressed in whole numbers.

c. The total of the percentages shown on each line must equal 100%.

d. Some posts have positions classified as DAS Direct Service and DAS Special. The percentage of time for these positions will be shown in column R. Normally the percentage shown will be 100% since only one specific agency is responsible for the salary costs associated with the position. The name of the agency responsible for paying for the position will be shown at the top of the column.

e. Salary costs for DAS Direct Service and DAS Special **will be** included in the computation of the CORE/DAS ratio.

f. Most posts have one or more DAS driver position. Previous FAAS instructions were written on the assumption that DAS drivers provided only indirect support to the serviced agencies. It is apparent, however, that at some posts direct support is being provided. Direct support is defined as distinctly identifiable trips transporting passengers or materials for a particular agency. Therefore, at those posts that provide direct support the following special rules will apply:

- (1) Percent of time shown on the FAAS-4 for DAS drivers may be shown in amounts of less than 25%.
- (2) Percent of time spent in direct support will be identified as Factor J and shown in column Q. The entry in column Q will be marked with an asterisk and a note placed at the bottom of the form to indicate that the entry is for Factor J.
- (3) Percent of time spent in indirect support will continue to be reflected under sub-function 3.1, Factor C.
- (4) Factor J can be used on the FAAS-4 only when pooled vehicle mileage for the serviced agencies is shown on the FAAS-2.
- (5) These special instructions do not apply to DAS Direct Service or DAS Special driver positions. These positions will continue to be shown in column R of the FAAS-4.

Preparation of DS-1736A

FAAS Administrative Staffing - CORE/DAS Computations

1. **General.** This form is divided into two parts. The top part is titled Other American Personnel Related Costs. The bottom part is titled CORE/DAS Ratio Computation.
2. **Other American Personnel Related Costs.** This schedule will show the FAAS American Support costs that are included in the FAAS column of the FAAS-6 (DS-1747). Through the use of this form a better distribution of CORE and DAS costs is achieved.
 - a. **Line 1, Travel.** Enter the actual, plus estimated, FY 78 costs for such types of travel as R&R, Home Visitation, Medical, Education Travel, etc.
 - b. **Line 2, Freight.** Enter the estimated FY 78 freight cost related to shipment of household furnishings and replacement of privately owned vehicles.
 - c. **Line 3 through 8.** Enter all estimated FY 78 costs associated with residential rent, utilities, maintenance and repair. Costs are further segregated between government owned or long term lease (FBO) and short term government lease (STGL).
 - d. **Line 9, Household Furnishings.** The amount in this line should equal the amount shown in the FAAS column on line 39 of the FAAS-6.
 - e. **Line 10, Total American Personnel Related Costs.** Self explanatory.
 - f. **Line 11, Cost Distribution.** Distribute the cost on line 10 based upon the number of CORE and DAS Americans. For example; if there are 8 CORE and 2 DAS Americans at the post the costs would be distributed 80% to CORE and 20% to DAS.
3. **CORE/DAS Ratio Computation.** This schedule develops the necessary ratios between CORE and DAS to properly distribute American and local salaries and the FAAS column on the FAAS-6.
 - a. The schedule will not be completed if there are no DAS Americans or locals at post.
 - b. **Line 12, American Position Costs.** Enter on this line, in the column for CORE and DAS, the American CORE and DAS costs from columns G and K of the DS-1736. Enter the total American position costs in the total column.
 - c. **Line 13, Other American Personnel Related Costs.** Enter the CORE and DAS data shown on line 11 of the Other American Personnel Related Costs schedule. Enter the total cost, from line 10, in the total column.
 - d. **Line 14, Total American Costs.** Enter the sum of the CORE, DAS and Total columns and then enter the appropriate percentages in the percentage columns.
 - e. **Line 15, Local Position Costs.** Enter on this line, in the columns for CORE and DAS, the total of the local CORE and DAS costs from Column K of the DS-1736 and then enter the appropriate percentages in the percentage columns.
 - f. **Line 16, Total Costs/Percentages.** Enter on this line the total costs

from lines 14 and 15 and enter in the applicable percentage columns the percentages that CORE and DAS position costs bear to the total position costs.

g. Percents expressed in the percentage column will be carried out to one place to the right of the decimal point.

Preparation of FAAS-5

DAS Personal Services Distribution

1. General.

- a. The FAAS-5 will be prepared in essentially the same manner as last year.
- b. The percentages used to spread costs will be taken from the second percentage column on the FAAS-2.
- c. Separate FAAS-5's are required for DAS Americans and DAS locals.

2. Cost Distribution by Workload Factors.

- a. The factors used to distribute costs are indicated below the appropriate sub-function number in columns L through Q on the FAAS-4.
- b. Factors P and Q will be used on the FAAS-5. Factors P-1, P-2, Q-1 and Q-2 will be used on the FAAS-6 only.
- c. When in the judgment of the post, the workload statistics are not representative of the use of the service by Agencies, another factor may be used. These variations in the use of workload factors should be concurred in by the DAS Agencies. A footnote will be entered at the bottom of the FAAS-5 if a change is made in the use of the workload factors.
- d. Where posts accumulate costs for other object classes 11, 12 and 13 by positions in column J on the FAAS-4, the FAAS-5 will include such costs. Where the FAAS-4 carries one-line entries for these costs they will not be carried forward to the FAAS-5.
- e. Salary costs for DAS Direct Service and DAS Special positions will be entered on separate lines titled **DAS Direct Service** and **DAS Special**. The costs for these positions will be charged, on the FAAS-5, directly to the appropriate agency. These costs **will be** used when developing the FAAS-5 participating percentages.

3. Participation Percentages.

- a. After distributing DAS American costs a total line will be entered. Below this a second line will be entered showing each agency's DAS American participating percentage.
- b. After distributing DAS local costs a total line will be entered. Below this a second line will be entered showing each agency's DAS local participating percentage.
- c. Following completion of a and b above, a line titled **Total American and Local Position Costs** will be entered. Following this a line titled **DAS Participating Percentages** will be entered. All percentages will be carried out to one place to the right of the decimal point.

Preparation of FAAS-6

FAAS - Other Object Distribution

1. General.

- a. The FAAS-6 will be prepared in the same manner as last year.
- b. Actual obligation data entered in column D will cover the period October 1, 1977 through March 31, 1978. Estimated obligations entered in column E will cover the period April 1, 1978 through September 30, 1978.

2. Distribution of Other Object Costs.

The amounts in column F will be distributed to FAAS, State and the participating agencies on the basis of the factors shown in column C. When in the judgment of the post, use of the factor shown in column C would result in an inequitable distribution of costs, another factor may be used. Any changes in the factors should be concurred in by all the agencies at the post. The change will be clearly marked and an explanation for the change will be included on or attached to the FAAS-6.

3. Participating Percentages.

- a. The data in column D through V (**or however many are required**) will be totaled on line 45.
- b. FAAS costs identified in the top portion of the DS-1736A will be entered in columns D, E, F and G, line 46.
- c. Line 46 will be subtracted from line 45 and the result entered on line 47.
- d. Apply the CORE percentage from the DS-1736A, line 16, to the FAAS total in column G, line 47, and enter a minus amount in column G and a plus amount in column H, line 48. If there are no FAAS Americans or Locals at the post the entire amount of column G will be entered in column H.
- e. On line 49, enter the DAS Participation Percentage developed on the FAAS-5. These percentages will total 100%.
- f. On line 50, enter the remainder of column G (**total less CORE share**) as a minus amount in Column G and distribute as a plus amount to each Agency in accordance with the DAS percentages on Line 49.
- g. Total all columns on Line 51.
- h. On line 52, enter the percentage that each Agency's cost, including State, in line 51 bears to the Total Other Object Costs. Percentages will be carried out to one place to the right of the decimal point.

4. Schedule of Contracts.

Insert behind the FAAS-6 a copy of Schedule XI - A, Report on Current Contracts, that is prepared for the Field Budget Estimate.

Preparation of the Going Rate

General. The content and format of the Going Rate will be essentially the same as specified in Section 400, Appendix B, 4 FAM. The exchange rate shown on the Going Rate will be as of March 31, 1978. In addition, show the percentage of monies spent in local currency for American allowances,

local salaries and other object costs.

Preparation Instructions

a. Current Operating Allowance - Item A. At a minimum this portion of the Going Rate will show; (1) Current Operating Allowances, (2) American position costs, (3) local position costs and (4) proceeds of sales.

b. Deduct Nonrecurring - Item B. The procedures set forth in 4 FAM remain applicable.

c. Add Annualization - Item C. The procedures set forth in 4 FAM remain applicable.

d. Add Mandatory Increases - Item D. The procedures set forth in 4 FAM remain applicable.

e. Statement of Agency Presence. Between Items D and E insert a statement that all agencies sharing FAAS costs at the post are expected to be on board through the end of the fiscal year. If an agency is expected to leave post during the fiscal year indicate how the Agency Distribution Schedule has been adjusted to reflect the expected departure of the agency.

f. Agency Distribution - Item E. Distribution of the Going Rate estimate between State and DAS, and among DAS agencies, will be in accordance with the following paragraphs:

(1) Separate percentages will be used to distribute American position costs (**these same percentages will be used in Washington to distribute American Salary costs as computed from the worldwide American Salary Allotment**), local positions costs and Other Objects.

(2) American position costs will be distributed initially according to the CORE and DAS percentages from Line 14, FAAS-4 (**DS-1736A**). Distribution of DAS American position costs among the DAS agencies will be in accordance with the **American Participation Percentages** from the Form FAAS-5 prepared for this purpose.

(3) Local position costs will be distributed initially according to the CORE and DAS percentages from Line 15, FAAS-4 (**DS-1736A**) and the DAS portion thereof distributed among the DAS agencies in accordance with the **Local Participation Percentages** from the Form FAAS-5 prepared for this purpose.

(4) Other Object costs will be distributed initially by applying the State FAAS-6 participating percentage to the total Other Object costs. The remainder of the Other Object costs will be indicated as DAS. The DAS portion of the Other Object costs will be distributed among the serviced agencies by using the FAAS-6 participating percentage as adjusted below:

(a) Subtract the State FAAS-6 participating percentage from 100 percent.

(b) Divide the result of the subtraction into each agencies FAAS-6 participating percentage as shown on line 52, DS-1747. This gives an adjusted FAAS-6 participating percentage for each serviced agency. These adjusted percentages will total 100 percent.

The FAAS-6 participating percentage shown on the Agency Distribution Schedule will be the adjusted percentage. The FAAS-6 participating percentage developed on the DS-1747 will be shown on

the same line in parens.

(5) The column **Special Items** will include all adjustments in agency shares which are not properly distributed by the FAAS-5 and FAAS-6 percentages. This column will include **special items** as explained in Section 435c, Appendix B, **Offsets** per Section 435d, changes in level of services and State's contractual Terrorism expenses. Salary costs of DAS Direct Service and DAS Special positions are used in developing the FAAS-5 percentages. Therefore, these costs will not be treated as a Special Item.

(6) Offsets for common services provided by an agency should be distributed by an appropriate workload factor to all agencies which benefit. Amounts so distributed to State will be shown on the CORE line. A brief description of any costs in the Special Items Column should be attached with the distribution schedule.

**Preparation of Initial
Increase-Decrease Estimate**

- a. There is no change in the format or content of the Increase-Decrease estimate as set forth in Section 500, Appendix B.
- b. Distribution will be shown in the same manner as for the Going Rate above.
- c. Particular attention is called to Section 546, Appendix B, dealing with changes in level of services.